IN THE UNITED STATES DISTRICT COURT FOR THE NORTHERN DISTRICT OF ILLINOIS EASTERN DIVISION

| THOMAS BALLARD, on behalf of himself and all others similarly situated, | |
|---|---------|
| Plaintiff, | |
| v. | Case No |
| AMERICAN AIRLINES, INC., a Delaware Corporation, | |
| Defendant. | |

NOTICE OF REMOVAL

Defendant American Airlines, Inc. ("American") removes this matter from the Circuit Court of Cook County, Illinois, County Department, Chancery Division (the "State Court") to the United States District Court for the Northern District of Illinois pursuant to 28 U.S.C. §§ 1332(a) and (d). In support of removal, American states as follows:

BACKGROUND TO THE NOTICE OF REMOVAL

- 1. On February 28, 2017, Plaintiff Thomas Ballard ("Plaintiff"), on behalf of himself and all others similarly situated, commenced this action by filing in the State Court a Complaint captioned *Thomas Ballard, on behalf of himself and all other similarly situated v. American Airlines, Inc.*, Case No. 2017CH02917.¹
- 2. On March 3, 2017, Plaintiff appears to have attempted service on American by serving American with a copy of Plaintiff's Notice of Filing and Motion for Class Certification,

¹ Documents from the State Court Action are attached as Exhibit A.

to which a copy of the Complaint was attached. That attempted service, though, was improper because it did not comply with the service requirements of the Illinois Code of Civil Procedure and Illinois Supreme Court Rules on Civil Proceedings in the Trial Court.

- 3. Subsequently, on March 16, 2017, Plaintiff served a copy of the Summons and Complaint on American.
- 4. The Complaint purports to assert class claims for breach of oral contract, equitable estoppel, promissory estoppel, fraud, and unjust enrichment.
- 5. Plaintiff is an Aviation Maintenance Technician ("AMT") at American. (Compl. ¶¶ 8, 11.) He alleges that he was hired in June 2015 on a "two year flex pay incentive program," under which he would begin his employment with credit for three years' service and earn the top-of-scale hourly rate of \$48.00 per hour after two years of employment. (*See id.* ¶ 8.) Plaintiff further alleges that, after he began his employment, American entered into an August 5, 2016 Letter of Agreement with the TWU/IAM Mechanic Association and the TWU/IAM Stores Association (the "2016 LOA"), which eliminated the two year flex pay incentive program and set forth new rates of pay for AMTs based on years of service. (*See id.* ¶ 14, Ex. B.)
- 6. Plaintiff alleges that under the 2016 LOA, instead of earning the \$48.00 per hour top-of-scale rate after two years of employment, he will not earn that rate until after five years of employment. (*See id.* ¶ 15, Ex. B.) Based on these allegations, Plaintiff seeks in part, on behalf of himself and others, damages "including, but not limited to[,] loss of wages and top-of-scale employment benefits," disgorgement of profits related to American's conduct, "actual, compensatory and punitive damages," and "reasonable attorney's fees and costs." (*See id.* Prayer for Relief ¶¶ F-I.)

GROUNDS FOR REMOVAL

7. This Court has jurisdiction over this action pursuant to (i) 28 U.S.C. § 1332(a) because the parties are completely diverse and the amount in controversy exceeds \$75,000 and (ii) the Class Action Fairness Act of 2005, 28 U.S.C. § 1332(d), because there is minimal diversity between the purported class and American, the proposed class consists of more than 100 members, and the amount in controversy exceeds \$5 million, aggregating all claims (exclusive of interests and costs).

REMOVAL IS PROPER PURSUANT TO 28 U.S.C. § 1332(a)

- 8. Plaintiff is a citizen of Illinois. (Compl. ¶ 2.)
- 9. For purposes of diversity jurisdiction, a corporation is a citizen of the state in which it is incorporated and where it has it principal place of business (i.e., where the corporation maintains its headquarters that is the center of direction, control, and coordination of the corporation). *See Smoot v. Mazda Motors of Am., Inc.*, 469 F.3d 675, 676 (7th Cir. 2006) (citing 28 U.S.C. § 1332 (c)(1)); *Hertz Corp v Friend*, 559 U.S. 77 (2010). Thus, because American is incorporated in Delaware, American is a citizen of Delaware. (*See* Compl. ¶ 3.) And because American's corporate headquarters, and thus its principal place of business, is in Texas, American is also a citizen of Texas. (*See id.*)
- 10. Because Plaintiff is a citizen of Illinois and American is a citizen of Delaware and Texas, complete diversity exists between the parties pursuant to 28 U.S.C. § 1332(a)(1).
- 11. The amount in controversy requirement under 28 U.S.C. § 1332(a) is met because, based on Plaintiff's allegations, his alleged damages would exceed \$75,000. *Andrews* v. E.I. Du Pont De Nemours and Co., 447 F.3d 510, 515 (7th Cir. 2006) (considering amounts of

potential damages based on allegations in complaint, including future losses, in determining amount in controversy).

- 12. Plaintiff alleges that he was hired by American as an AMT on a two year flex pay incentive program under which he would begin his employment with credit for three years' service and, after two years (i.e., when he has credit for five years' service), would be paid the \$48.00 per hour top-of-scale rate for his position. (*See* Compl. ¶ 8.) Because Plaintiff alleges that his employment with American began in June 2015, under the alleged two year flex pay incentive program, Plaintiff would have been paid the \$48.00 per hour top-of-scale rate no later than June 2017—two years after Plaintiff was hired, based on credit for five years' service. (*See id.* ¶ 11.)
- 13. Plaintiff alleges that, after he began his employment, American eliminated the two year flex pay incentive program and entered into the 2016 LOA, which sets forth new rates of pay for AMTs. (*Id.* ¶ 14, Ex. B.) As a result, Plaintiff alleges that it would now take five years to reach the \$48.00 per hour top-of-scale rate. (*Id.* ¶ 15.)
- 14. Based on Plaintiff's allegations, under the 2016 LOA, instead of earning \$48.00 per hour as of June 2017, he would earn \$36.67 (\$31.12 based on credit for five years' service, plus \$5.55 in license/line premiums) from June 2017 until September 11, 2017, and then \$37.13 (\$31.58 based on credit for five years' service, plus \$5.55 in license/line premiums) from September 12, 2017 to June 2018. (*See id.* Ex. A, Ex. B.) That is, based on Plaintiff's allegations, under the 2016 LOA, he would earn \$11.33 less per hour from June 2017 to September 11, 2017 (approximately 14 weeks) and \$10.87 less per hour from September 12, 2017 to June 2018 (approximately 38 weeks). Assuming Plaintiff only worked 40 hours per week (even though his offer of employment specifically contemplated overtime (*see id.*, Ex. A)),

he would earn approximately \$6,344 less in hourly wages from June 2017 to September 11, 2017 (\$11.33 less per hour x 40 hours x 14 weeks) and approximately \$16,522 less in hourly wages from September 12, 2017 to June 2018 (\$10.87 x 40 hours x 38 weeks). Thus, based on Plaintiff's allegations, under the 2016 LOA, he would earn approximately \$22,866 less in hourly wages June 2017 to June 2018 compared to what he would have earned under the two year flex pay incentive program.

- 15. Extrapolating similar losses over the additional years that Plaintiff alleges it would take him to reach the \$48.00 per hour top-of-scale rate under the 2016 LOA (using the pay rates for AMTs set forth therein), Plaintiff's alleged total lost wages based on the allegations in the Complaint are approximately \$48,990 for June 2017 until June 2020 because—based on Plaintiff's allegations—under the 2016 LOA:
 - (a) From June 2018 to June 2019, he would earn \$39.38 (\$33.83 plus \$5.55 in license/line premiums), meaning he would earn \$8.62 less per hour for approximately 52 weeks. (*See id.* Ex. A, Ex. B.) Thus, assuming Plaintiff worked only 40 hours per week, he would earn approximately \$17,929 less in hourly wages from June 2018 to June 2019 (\$8.62 x 40 hours x 52 weeks).
 - (b) From June 2019 to June 2020, he would earn \$44.06 (\$38.51 plus \$5.55 in license/line premiums), meaning he would earn \$3.94 less per hour for approximately 52 weeks. (*See id.* Ex. A, Ex. B.) Thus, assuming Plaintiff worked only 40 hours per week, he would earn approximately \$8,195 less in hourly wages from June 2019 to June 2020 (\$3.94 x 40 hours x 52 weeks).

16. Notably, the \$48,990 in alleged lost wages—i.e., alleged lost wages of \$22,866 from June 2017 to June 2018 (*see infra* ¶ 14), of \$17,929 from June 2018 to June 2019, and of \$8,195 from June 2019 to June 2020 (*see infra* ¶ 15)—are exclusive of any additional alleged losses on overtime hours worked, which would only increase the total approximate wages lost. This amount is also exclusive of the other relief Plaintiff seeks, including disgorgement of profits, top-of-scale employment benefits, compensatory and punitive damages, and attorney's fees. (*See id.* Prayer for relief ¶¶ F-I.) Because, if Plaintiff prevails, the additional relief sought would easily exceed \$26,010 (the difference between the \$48,990 in total approximate lost wages and the \$75,000 threshold), the amount that the Complaint puts in controversy exceeds the \$75,000 threshold.

REMOVAL IS PROPER PURSUANT TO THE CLASS ACTION FAIRNESS ACT OF 2005

17. This Court also has jurisdiction over this action pursuant to 28 U.S.C. § 1332(d), which provides that the United States District Courts have original jurisdiction over any class action: (i) involving a plaintiff class of 100 or more members; (ii) where at least one member of the plaintiff class is a citizen of a state different from any defendant, and (iii) in which the matter in controversy exceeds (in the aggregate) the sum or value of \$5,000,000, exclusive of interest and costs. 28 U.S.C. § 1332(d); *see also Dart Cherokee Basin Operating Co. v. Owens*, 135 S. Ct. 547, 554 (2014) ("CAFA's provisions should be read broadly."). All three conditions are satisfied here.

² Defendants do not waive, and expressly reserve, all arguments that this matter is improper for class certification.

- 18. First, Plaintiffs allege that "[t]he Class is comprised of hundreds of class members, making the joinder of such cases impracticable." (Compl. ¶ 20.) Thus, there are at least 200 members in the proposed class based on Plaintiff's allegations.
- 19. Second, as stated above, Plaintiff is a citizen of Illinois and American is a citizen of Delaware and Texas. (*See supra* ¶¶ 7-8.) Thus, at least one member of the class of plaintiffs is a citizen of a state different from the defendant within the meaning of 28 U.S.C. \$ 1332(d)(2)(A).
- 20. Third, the claims asserted by Plaintiff on behalf of the proposed class—aggregated as required by 28 U.S.C. § 1332(d)(2)—exceed the sum of \$5,000,000. Although Defendants deny that Plaintiff and/or any putative class member is entitled to any relief based on the allegations in the Complaint, given the size of the proposed class and the relief sought, the amount in controversy in this litigation exceeds \$5,000,000.
- 21. Specifically, Plaintiff alleges that the class "is comprised of hundreds of class members," suggesting at least 200 class members. If there are 200 members in the class, then each class member's damages only need to be \$25,000.01 for the aggregated amount in controversy to exceed \$5,000,000. As demonstrated above, the difference between what Plaintiff—and the proposed class members similarly situated to Plaintiff—would have allegedly earned under the two-year flex rate incentive program, compared to what they would earn under the 2016 LOA, is approximately \$48,990. (See supra ¶¶ 11-14.)
- 22. As such, based on the allegations in the Complaint, the amount of lost wages at issue is approximately \$9,789,000, confirming that, even if (i) there were fewer than 200 class members or (ii) some class members' damages were less than Plaintiff's (for example, if they

had been employed before Plaintiff and would reach top of scale earlier), the amount of alleged lost wages would still exceed \$5,000,000.

23. These alleged lost wages damages also do not take into account any disgorgement of profits, top-of-scale employment benefits, compensatory or punitive damages, or attorney's fees that Plaintiff seeks on behalf of himself and the proposed class, further confirming that the \$5,000,000 threshold is exceeded based on Plaintiffs' allegations and claims. (*See* Compl. Prayer for Relief ¶¶ F-I.)

REMOVAL PROCEDURAL REQUIREMENTS HAVE BEEN MET

- 24. Pursuant to 28 U.S.C. § 1441(a), venue is proper in this Court because this action was originally filed in the State Court, which is located in the Northern District of Illinois.
- 25. Pursuant to 28 U.S.C. § 1446(a), a copy of all process, pleadings, and orders served upon Defendants in the State Court action are attached.
- 26. Pursuant to 28 U.S.C. § 1446(b), this Notice of Removal is timely because it was filed within 30 days of Defendants' receipt, by service or otherwise, of a copy of the Complaint.
- 27. Pursuant to 28 U.S.C. § 1446(d), promptly after filing this Notice of Removal, Defendants will give written notice to Plaintiffs and will file a copy of this Notice of Removal with the clerk of the State Court.
 - 28. No previous application has been made for the relief requested herein.
- 29. By filing this Notice of Removal, Defendants do not waive any defenses that may be available to them (including, without limitation, any defenses relating to service, process, and jurisdiction) and do not concede that the allegations in the Complaint state a valid claim under any applicable law.

30. Defendants reserve the right to amend or supplement this Notice of Removal in the event that additional grounds for removal become apparent.

WHEREFORE, Defendants respectfully give notice of and remove the action to this Court.

Dated: April 3, 2017

Respectfully submitted,

By: /s/ Larry S. Kaplan
Larry S. Kaplan
KAPLAN, MASSAMILLO &
ANDREWS LLC
200 West Madison Street, 16th Fl.
Chicago, Illinois 60606
Telephone: (312) 345-3000
Facsimile: (312) 345-3119

Email: lkaplan@kmalawfirm.com

Mark W. Robertson (*pro hac vice* admission application forthcoming)
O'MELVENY & MYERS LLP
7 Times Square
New York, NY 10036
Telephone: (212) 326-2000

Facsimile: (212) 326-2061 Email: mrobertson@omm.com

Attorneys for American Airlines, Inc.

EXHIBIT A

Case: 1:17-cv-02534 Document #: 1 Filed: 04/03/17 Page 11 of 80 PageID #:11



Service of Process Transmittal

03/03/2017

CT Log Number 530790643

TO: Leslie Floyd

American Airlines Group Inc. 4333 Amon Carter Blvd, MD-5675 Fort Worth, TX 76155-2664

RE: Process Served in Illinois

FOR: American Airlines, Inc. (Domestic State: DE)

ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:

TITLE OF ACTION: Thomas Ballard, on behalf of himself and all others similarly situated,

Pltf. vs. American Airlines, Inc., etc., Dft.

DOCUMENT(S) SERVED: Notice, Certificate of Service, Motion, Class Action Complaint, Exhibit(s)

COURT/AGENCY: Cook County Circuit Court - County Department - Chancery Division, IL

Case # 2017CH02917

NATURE OF ACTION: Plaintiff's motion for class certification is hereby served

ON WHOM PROCESS WAS SERVED: C T Corporation System, Chicago, IL

DATE AND HOUR OF SERVICE: By Regular Mail on 03/03/2017 postmarked: "Illegible"

JURISDICTION SERVED: Illinois

APPEARANCE OR ANSWER DUE: None Specified

ATTORNEY(S) / SENDER(S): LARRY D. DRURY

LARRY D. DRURY LARRY D. DRURY, LTD. 100 North LaSalle Street Suite 2200

Chicago, IL 60602 312-346-7950

ACTION ITEMS: SOP Papers with Transmittal, via UPS Next Day Air , 1Z0399EX0112178789

Image SOP

Email Notification, Townley Teso townley.teso@aa.com
Email Notification, Leslie Floyd leslie.floyd@aa.com

SIGNED: C T Corporation System ADDRESS: 208 South LaSalle Street

Suite 814

Chicago, IL 60604
TELEPHONE: 312-345-4336

Page 1 of 1 / MK

Information displayed on this transmittal is for CT Corporation's record keeping purposes only and is provided to the recipient for quick reference. This information does not constitute a legal opinion as to the nature of action, the amount of damages, the answer date, or any information contained in the documents themselves. Recipient is responsible for interpreting said documents and for taking appropriate action. Signatures on certified mail receipts confirm receipt of package only, not contents.





100 North LaSalle, Suite 2200

Chicago, II, 60602 312, 346-7950

Larry D. Drury, 1.td. Attorneys At Lan American Airlines, INC. C/O CT Corporation System 208 South LaSalle Street Suite 814

60604

Chicago, IL

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS COUNTY DEPARTMENT – CHANCERY DIVISION

| THOMAS BALLARD, on behalf of himself and all others similarly situated, Plaintiff, |) | 2017CH02917 CALENDAR/ROOM TIME 00:00 Class Action | 0:5 |
|---|--------|--|-----|
| T lumini, | , 1 | | |
| v. | į | Case No. | |
| AMERICAN AIRLINES, INC., a Delaware corporation, | | JURY DEMAND REQUESTED | |
| Defendant. |) | - | |

NOTICE OF FILING

TO: American Airlines, Inc. c/o C T Corporation System 208 South LaSalle Street Suite 814 Chicago, IL 60604

PLEASE TAKE NOTICE that on this 28th day of February, 2017, the undersigned filed with the Clerk of the Circuit Court of Cook County, Illinois, the attached Plaintiff's Motion for Class Certification, a copy of which is hereby served upon you.

LARRY D. DRURY LARRY D. DRURY, LTD. 100 North LaSalle Street, Suite 2200 Chicago, IL 60602 (312) 346-7950 Atty. No. 22873 ldd@larrydrury.com

CLEBY CO SWITTER

7017 FEB 28 AM 11: 0i

R

CERTIFICATE OF SERVICE

The undersigned hereby certifies, under oath, that the above notice and documents were served upon all parties of record herein on February 28, 2017, by the following:

| | personal delivery |
|---|---|
| | U.S. mail, overnight express |
| x | U.S. regular first class mail |
| | U.S. certified mail, return receipt requested |
| | by Federal Express |
| | by facsimile transmission |
| | by email transmission |
| | • |

(Print Name)

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS COUNTY DEPARTMENT – CHANCERY DIVISION

| THOMAS BALLARD, on behalf of hall others similarly situated, | imself and) Plaintiff,) | 2017CH02917 CALENDAR/ROOM TIME 00:00 Class Action | OE |
|--|---------------------------|--|----|
| v. | | Case No. | |
| AMERICAN AIRLINES, INC., a Del | aware corporation,) | | |
| | Defendant.) | | |

MOTION FOR CLASS CERTIFICATION

NOW COMES Plaintiff, THOMAS BALLARD, ("BALLARD"), on behalf of himself and all others similarly situated, by and through his attorneys, LARRY D. DRURY, LTD., and respectfully moves that this Court enter an order certifying and determining that this action may properly be maintained as a class action.

In support of this motion, the Plaintiff states that the class sought to be maintained on behalf of himself and all others similarly situated persons may be defined as follows:

Any and all persons throughout the United States who, from 2014 to the date of judgment herein, were AA mechanic "Flex Employees" who were provided, as a hiring incentive, a two year flex progression of "top of scale" benefits plan.

- 1. Common questions of law or fact include, in part:
- (A) Whether Defendant breached the two year flex plan agreement under which hired Plaintiff and the Class;
- (B) Whether Plaintiff and the Class are entitled to relief under Equitable Estoppel due to Defendant's breach of the two year flex plan agreement under which it hired Plaintiff and the Class;

- (C) Whether Plaintiff and the Class are entitled to relief under Promissory Estoppel due to Defendant's breach of the two year flex plan agreement under which it hired Plaintiff and the Class;
- (D) Whether the Defendant committed fraud by hiring Plaintiff and the Class under the two year flex incentive plan which Defendant breached;
- (E) Whether AA was or will be unjustly enriched by their breach of the two year flex program under which it hired Plaintiff and the Class;
- (F) Whether the Defendant's actions caused Plaintiff and the Class to suffer damages.
- 2. The claims and acts of the representative parties are typical of the claims of the class. The representative Plaintiff, was a person who, from 2014 to the date of judgment herein, was a "Flex Employee" who was provided, as a hiring incentive, a two year flex progression of "top of scale" benefits plan.
- 3. Plaintiff and his counsel will fairly and adequately represent the class and further state that the questions of law or fact with respect to the Defendant's conduct as alleged in the Class Action Complaint, are common to the members of the Plaintiff class and predominate over any questions of individual members.
- 4. Class adjudication is superior to all other available methods for adjudication of this controversy, i.e., there are hundreds of putative class members who, from 2014 to the date of judgment herein, "Flex Employees" who were provided, as a hiring incentive, a two year flex progression of "top of scale" benefits plan, and separate suits to litigate the legality of Defendant's acts and conduct would not be in the best interest of judicial economy and efficiency.

WHEREFORE, Plaintiff hereby respectfully requests that this Court enter an order certifying and determining that this action may properly be maintained as a class action, appointing Plaintiff class representative, and appointing Larry D. Drury of Larry D. Drury, Ltd., as lead class counsel.

THOMAS BALLARD, on behalf of himself and all

others similarly situated,

By:

Larry D. Drury

Larry D. Drury, Ltd.

100 North LaSalle Street, Suite 2200

Chicago, Illinois 60602

(312) 346-7950

(312) 346-5777 (fax)

Attorney No. 22873

ldd@larrydrury.com

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS COUNTY DEPARTMENT – CHANCERY DIVISION

| THOMAS BALLARD, on behalf of himself and all others similarly situated, | d) CALENDAR/ROOM O" TIME 00:00 Class Action | 5 |
|---|--|---|
| v. |) Case No. | |
| AMERICAN AIRLINES, INC., a Delaware cor | rporation,) JURY DEMAND REQUESTED | |
| De | efendant.) | |

CLASS ACTION COMPLAINT

Now comes the Plaintiff, THOMAS BALLARD, (hereinafter "BALLARD"), on behalf of himself and all others similarly situated, by and through his attorneys, Larry D. Drury of Larry.

D. Drury, Ltd., and complains of the Defendant, AMERICAN AIRLINES, INC., (hereinafter "AA"), a Delaware corporation, as follows:

NATURE OF THE CASE

- 1. Plaintiff brings this class action lawsuit, on behalf of himself and all other similarly situated persons throughout the United States who, from 2014 to the date of judgment herein, were AA mechanic "Flex Employees" who were provided, as a hiring incentive, a two year flex progression of "top of scale" benefits plan.
- 2. Plaintiff resides in Chicago, Cook County, Illinois, and is a citizen of the State of Illinois.
- 3. Defendant AA is a Delaware corporation that operates as a commercial airline whose corporate headquarters is located at 4255 Amon Carter Boulevard, Fort Worth, TX 76155.
 - 4. This Court has jurisdiction over this matter pursuant to 735 ILCS 5/2-209, in that

the Defendant transacts business and committed acts relating to the matters complained of herein in the State of Illinois. This Court also has jurisdiction to declare the rights and obligations of the parties under 735 ILCS 5/2-701. Finally, Plaintiff is a citizen of the State of Illinois and submits to the jurisdiction of this State.

5. Venue is proper in this Court pursuant to 735 ILCS 5/2-101, 735 ILCS 5/2-102 and 815 ILCS 505/10a(b), and the Defendant is a Delaware corporation doing business in this county and state.

GENERAL ALLEGATIONS

- 6. Prior to his employment with AA, Plaintiff was a 24 year experienced Aviation Maintenance Technician employed at an hourly rate in excess of \$30.00 per hour.
- 7. Plaintiff investigated employment with AA upon learning that they were offering a hiring incentive of a two year flex top-of-scale pay program.
- 8. On or about March 24, 2015 Plaintiff was interviewed by a manager and lead mechanic of AA for the position of an Aviation Maintenance Technician (mechanic), based upon a hiring incentive of a two year flex top-of-scale pay program which offer was discussed at length during the interview. The two year flex program meant that Plaintiff would begin his employment with AA with credit for three years of employment and would achieve the five year top-of-scale hourly wage of \$48.00 in two years. Plaintiff was advised that he would have to join the labor union representing AA employees, but at no time during the hiring process did he meet with a union representative or was he provided with union documentation. During the interview process, the manager and lead mechanic asked Plaintiff to leave the room and upon being asked to return, Plaintiff was immediately presented with a "...conditional offer of

employment..." with contingencies. Thereafter, Plaintiff received an undated letter by mail setting forth the same "...conditional offer of employment..." with the same contingencies. A copy of the March 24, 2015 letter and the undated, mailed letter are attached hereto as Group Exhibit A.

- 9. Although Plaintiff, by accepting a position with AA would take a cut in pay from his present position, Plaintiff elected to satisfy the contingencies set forth in Group Exhibit A and accept employment at AA, based on the benefit of the two year flex program aforesaid, which was separate from and independent of the March 24, 2015 letter that would allow him to achieve top-scale-pay in two years' time.
- 10. On information and belief, the incentive two year flex program under which Plaintiff was hired had already been in place for approximately one year at the time Plaintiff was hired by AA and there were hundreds of employees hired under the same two year flex incentive program.
- 11. Plaintiff began his employment with AA in June, 2015, at a starting wage of \$25.70 per hour.
- 12. In approximately August, 2015, two months after Plaintiff left a secure position and accepted a position at AA, Plaintiff was advised that AA informed the union they wanted to rescind the two year flex pay incentive program under which Plaintiff had just been hired. On information and belief, AA knew, at the time it hired Plaintiff and the Class, that it intended to back out of, and not honor the two year flex pay incentive program to which it agreed when hiring Plaintiff and the Class.
- 13. At the time AA wanted to back out of the two year flex pay incentive program, it was the Union's position that since it only affected 5% to 6% of the employees, it was not an

AA in approximately August, 2015 between union members and management, became confrontational when one employee in particular, Jason Lapotta, who was affected by AA's breach and was voicing his concerns, was physically attacked by the union president.

- 14. At this time, the collective bargaining agreement between the Union and AA is in negotiation and no agreement has been reached, however, on or about August 5, 2015, AA entered into a Letter of Agreement with the TWU/IAM Mechanic Association and TWU/IAM Stores Association, attached hereto as Exhibit B, whereby AA has breached its agreement with the Plaintiff and the Class as to the agreed upon two year flex program. See Exhibit B, page 3, paragraph C and "Attachment A" at page 4, "Mechanics".
- 15. On information and belief, AA's breach of its hiring incentive of a two year flex program left employees who completed their two years prior to August 4, 2015, able to maintain the benefit under which they were hired, and for employees who had not completed their two years prior to August 4, 2015, it would now take 8 years to achieve the top-scale-pay which was promised to Plaintiff and the Class by AA when they were hired.
- 16. Many AA employees who were hired under the two year flex program left secure previous employment, some sold their homes and relocated their families, and some are living away from their families, in order to take advantage of the two year flex incentive program offered by AA.
- 17. AA never had any intention of honoring its hiring agreement with Plaintiff and the Class for the two year flex incentive program. AA knew or should have known when hiring the Plaintiff, that they intended to advise the Union that they wanted to rescind the two year flex program. Further, on information and belief, AA's Evita Rodriguez, Managing Director, who

oversees AA employees who were affected by the breach, had a conversation with Union Steward, Brian Friedman which was overheard by other employees, wherein she stated that she had ten applications for every one of the two year flex employees and anyone who didn't like it could quit.

18. It was of no benefit to Plaintiff to accept employment with AA, wherein he left a secure positon, took a cut in pay, and where he ultimately sustained a serious injury as a result of his employment, without the benefit of the two year flex incentive program.

CLASS ACTION ALLEGATIONS

- 19. Pursuant to 735 ILCS 5/2-801, Plaintiff brings this class action lawsuit, on behalf of himself and all others similarly situated persons throughout the United States who, from 2014 to the date of judgment herein, were AA mechanic "Flex Employees" who were provided, as a hiring incentive, a two year flex progression of "top of scale" benefits plan.
- 20. The Class is comprised of hundreds of class members, making the joinder of such cases impracticable.
- 21. Disposition of the claims as a class action will provide substantial benefits to the parties and the class.
- 22. The rights of each member of the Class were violated in a similar fashion based upon the Defendant's uniform actions.
- 23. Questions of law and fact common to the Class predominate over questions that may affect individual members, including:
 - (A) Whether Defendant breached the two year flex plan agreement under which it hired Plaintiff and the Class;
 - (B) Whether Plaintiff and the Class are entitled to relief under Equitable Estoppel due

- to Defendant's breach of the two year flex plan agreement under which it hired Plaintiff and the Class;
- (C) Whether Plaintiff and the Class are entitled to relief under Promissory Estoppel due to Defendant's breach of the two year flex plan agreement under which it hired Plaintiff and the Class;
- (D) Whether the Defendant committed fraud by hiring Plaintiff and the Class under the two year flex incentive plan which Defendant breached;
- (E) Whether AA was or will be unjustly enriched by their breach of the two year flex program under which it hired Plaintiff and the Class;
- (F) Whether the Defendant's actions caused Plaintiff and the Class to suffer damages.
- 24. Plaintiff will fairly and adequately represent and protect the interests of the Class in that he has no interest that is antagonistic to or that irreconcilably conflicts with those of other members of the Class.
- 25. Plaintiff has retained counsel competent and experienced in the prosecution of class action litigation.
- 26. A class action is superior to all other available methods for the fair and efficient adjudication of Plaintiff's and other Class members' claims.
- 27. Certification of a class action to resolve this matter will reduce the possibility of repetitious litigation involving, potentially, thousands of class members.
- 28. Based upon the facts and circumstances herein, the class is identifiable, ascertainable and manageable.

COUNT I

BREACH OF ORAL CONTRACT

- 29. Plaintiff realleges and incorporates paragraphs 1 through 28 above as if fully set forth in this Count I.
- 30. Plaintiff and the Class and AA entered into uniform oral contracts when they were hired by AA under the two year flex incentive program which would allow them to achieve top-of-scale pay after two years of employment.
- 31. AA breached their contract with the Plaintiff and the Class by taking away the benefits afforded by the two year flex pay incentive program, after hiring Plaintiff and the Class, all to the Defendant's benefit and profit and the Plaintiff's and the Class' detriment.
- 32. As a direct result of AA's intentional and wrongful breach of their contracts,

 Plaintiff and the Class have suffered damages, including but not limited to loss of wages and topof-scale employment benefits.

COUNT II

EQUITABLE ESTOPPEL

- 33. Plaintiff realleges and incorporates paragraphs 1 through 28 above as if fully set forth in this Count II.
- 34. Defendant misrepresented and/or concealed the material fact that it intended to breach the two year flex incentive program under which it hired Plaintiff and the Class.
 - 35. Defendant knew at the time of their representations, that they were untrue.
- 36. The Plaintiff and the Class did not know that Defendant's representations were untrue at the time they were hired.
- 37. The Defendant intended or reasonably expected the Plaintiff and the Class to act upon their representations.

- 38. As a result of Defendant's misrepresentation and/or concealment, Defendant should be estopped from not fulfilling the terms of its agreement with Plaintiff and the Class and eliminating same.
- 39. Plaintiff and the Class relied on the presentations made by Defendant in good faith and to their detriment.
- 40. Plaintiff and the Class would be prejudiced by their reliance on Defendant's representations if the Defendant was permitted to deny same.

COUNT III

PROMISSORY ESTOPPEL

- 41. Plaintiff realleges and incorporates paragraphs 1 through 28 above as if fully set forth in this Count III.
- 42. AA, at the time of hiring the Plaintiff and the Class knew that they were going to back out of two year flex pay program.
- 43. There was a promise made by AA through a hiring incentive of a two year flex program under which they hired Plaintiff and the Class.
- 44. Plaintiff and the Class reasonably and justifiably relied on Defendant's promise of a two year flex pay program which would allow them to reach top-scale-pay within two years of the date of hiring.
- 45. The promise to be hired as a two year flex employee was made and Defendant should have reasonably expected and foreseen that Plaintiff and the Class would act on said promise. As a result of Defendant's promise Plaintiff left a secure position where he was making more money. Plaintiff cannot now achieve the top-of-scale pay promised after two years.
 - 46. Plaintiff and the Class relied on the promise by the Defendant to their detriment,

damage and injury.

COUNT IV

FRAUD

- 47. Plaintiff realleges and incorporates paragraphs 1 through 28 above as if fully set forth in this Count IV.
- 48. Defendants misrepresented that upon their hiring, Plaintiff and the Class were entitled to receive top-of-scale pay within two years under the two year flex pay incentive program, only to have Defendant take away the benefits afforded by the two year flex pay incentive program, after hiring Plaintiff and the Class, all to the Defendant's benefit and profit and the Plaintiff's and the Class' detriment.
- 49. Defendant knew that it misrepresented the two year flex incentive program under which Plaintiff and the Class accepted employment.
- 50. Defendant intended to deceive and defraud the Plaintiff and the Class by their acts and conduct alleged herein.
- 51. Plaintiff and the Class relied upon Defendants' fraud, deception, misrepresentations and omissions to their damage, detriment, loss and injury.

COUNT V

UNJUST ENRICHMENT

- 52. Plaintiff realleges and incorporates paragraphs 1 through 28 above as if fully set forth in this Count V.
- 53. Defendant, to the detriment of the Plaintiff and the Class, have benefitted and have been unjustly enriched where they breached the two year flex program under which it hired

Plaintiff and the Class.

- 54. Defendant has knowledge of these benefits, and has voluntarily accepted, retained and diverted said benefits by breaching the two year flex program under which it hired Plaintiff and the Class.
- 55. The circumstances described herein are such that it would be inequitable, unconscionable, unfair and unjust for Defendant to accept, retain and/or divert these ill-gotten benefits.
- 56. As a result of Defendant's unjust enrichment, Plaintiff and the Class have and will suffer damages.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of all others similarly situated, prays that the Court enter an Order:

- A. Certifying this matter as a class action with Plaintiff as Class Representative, and designating Larry D. Drury, Ltd. as lead class counsel;
- B. Finding that Defendant breached their contracts with Plaintiff and the Class by breaching the two year flex program under which it hired Plaintiff and the Class;
- C. Finding that the Plaintiff and the Class are entitled to relief under Equitable Estoppel due to Defendant's breach of the two year flex plan agreement under which it hired Plaintiff and the Class;
- D. Finding that the Plaintiff and the Class are entitled to relief under Promissory Estoppel due to Defendant's breach of the two year flex plan agreement under which it hired Plaintiff and the Class;
- E. Finding that the Defendant committed fraud by hiring Plaintiff and the Class under the two year flex incentive plan which it then breached;
- F. Finding that Defendant was unjustly enriched by its unlawful conduct and disgorge their related revenue and profits;

- G. Finding that Plaintiff and the Class incurred damages including, but not limited to loss of wages and top-of-scale employment benefits;
- H. Requiring that Defendant pay actual, compensatory and punitive damages for its conduct as alleged herein;
- I. Awarding reasonable attorney's fees and costs; and
- J. Grant such other relief as this Court deems appropriate.

THOMAS BALLARD, on behalf of himself and all

others similarly situated,

By:

Larry D. Drury Larry D. Drury, Ltd. 100 North LaSalle Street, Suite 2200 Chicago, Illinois 60602 (312) 346-7950 (312) 346-5777 (fax) Attorney No. 22873

ldd@larrydrury.com

American Airlines

March 24, 2015

Dear Thomas Balloud

On behalf of American Airlines. Line Maintenance Mechanic Alreraft Maintenance ORD, it is a pleasure to confirm our offer of employment for the position Aviation Maintenance Technician - Line - ORD at an hourty salary of \$25.70.

You will be receiving your pay on a weekly basis.

You will be eligible for overtime pay equivalent to the raises and standards as set out in the governing collective bargaining. Currently, overtime is listed at one and a half-times (1.5X) your regular bourty rate for each hour worked in excess of your scheduled work hours.

Please understand that this is a conditional offer of employment and is contingent upon fulfillment of the selection process, including but not limited to:

- Reference Chacks/background investigation
- American Airlines and/or FAA drug screening
- All other pre-employment requirements
- Final review of complete application, including all documents

Once you have successfully completed the steps required for your position, we will be able to establish a start date for your employment at American:

Please bring a copy of your appointment slip with two (2) forms of identification, one with a photo, when you come for the drug screen.

We sincerely believe that this position will offer you a challenging opportunity and will be both personally and professionally satisfying to you. All of us at American Airlines look forward to working with you. Should you have any questions please contact Ris Buagas at 1-866-872-3945 ext. 629-1043.

Regardis,

Rob Daugherty Director, Talent Acquisition American Airlines



Dear Thomas.

On behalf of American Airlines, Line Maintenance Mechanic Aircraft Maintenance ORD, it is a pleasure to confirm our offer of employment for the position Aviation Maintenance Technician – Line – ORD at an hourly salary of \$20.15 plus \$ 5 license premium and 0.55 line premium a total of \$25.7.

Please understand that this is a conditional offer of employment and is contingent upon fulfillment of the selection process, including but not limited to:

- Reference Checks/background investigation
- American Airlines and/or FAA drug screening
- All other pre-employment requirements
- Final review of complete application, including all documents

Once you have successfully completed the steps required for your position, we will be able to establish a start date for your employment at American.

Please bring a copy of your appointment slip along with two (2) forms of identification, one with a photo, when you come for the drug screen.

We now invite you to complete the process to electronically review and accept the Essential Job Functions followed by the conditional offer.

Please <u>click here</u> to access the Onboarding Portal. Enter your User Name [thomasballard], and your password from when you first created your profile.

We sincerely believe that this position will offer you a challenging opportunity and will be both personally and professionally satisfying to you. All of us at American Airlines look forward to working with you. Should you have any questions please contact Ria Buagas at 1–866–872–3945 ext. 629–1043.

Regards,

Rob Daugherty Director, Talent Acquisition American Airlines LETTER OF AGREEMENT between AMERICAN AIRLINES, INC. and the

MECHANIC AND RELATED EMPLOYEES (including Planners, Maintenance Control Technicians, Stores/Material Logistics Specialists, Quality Assurance, Technical Document Specialists and Maintenance Training Specialists)

in the service of AMERICAN AIRLINES, INC. as represented by the

TWU/IAM MECHANIC ASSOCIATION AND TWU/IAM STORES ASSOCIATION

This Letter of Agreement (this "Agreement") is made and entered into this 5th day of August, 2016 in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between American Airlines, Inc., ("American" or the "Company"), and the TWU/IAM Mechanic Association and the TWU/IAM Stores Association (collectively the "Association" or "Union"). All parties are collectively referred to as (the "Parties").

WHEREAS, pre-merger American Airlines and US Airways merged to create the Company; and

WHEREAS, the Parties intend that for the current collective bargaining agreements covering the Mechanic and related (includes Accreted Groups), Stores/Maintenance Control Technician (MCT) and Maintenance Training Specialist (MTS) employees of US Airways (the "IAM CBA") and the current collective bargaining agreements covering the Mechanic and related, Material Logistics Specialist (MLS) and Maintenance Control Technician (MCT) employees of pre-merger American Airlines (the "TWU CBA") to remain in effect while negotiations for a Joint Collective Bargaining Agreement ("JCBA") are being conducted; and

WHEREAS, the Parties intend to provide interim pay increases and new pay rates for the Mechanic and related (includes Accreted Groups), Stores/MLS/MCT and MTS employees of both US Airways and pre-merger American Airlines, to be effective while JCBA negotiations are underway; and

WHEREAS, the Parties intend for Mechanic and related (includes Accreted Groups), Stores/MCT and MTS employees of US Airways to be able to perform Mechanic and related, MLS/MCT and MTS employee functions for pre-merger American Airlines and for Mechanic and related, MLS, MCT and Accreted Group employees of pre-merger American Airlines to be able to perform Mechanic and related (includes Accreted Groups), Stores/MCT/MTS employee functions for US Airways while JCBA negotiations are underway; and

WHEREAS, the Parties intend to provide job protection for Mechanic and related (includes Accreted Groups), Stores/MLS/MCT and MTS employees of US Airways and pre-merger American Airlines while JCBA negotiations are underway,

THEREFORE, the Parties mutually agree as follows:

I. Pay Increase/Pay Slotting

The pay scales in Attachment A will be effective for both pre-merger American Airlines and US Airways employees currently covered by the TWU CBA or the IAM CBA. The pay increase and new rates and premiums will be effective August 5, 2016. Future increases are included as part of Attachment A.

- A. For the Accreted Groups which includes the Planners/Quality Assurance (QA)/Technical Document Specialists and Management Training Instructors of premerger American Airlines:
 - 1. The hourly rates and pay steps in Attachment A will be utilized in the manner described below to determine the pay increase or lump sum payment an employee will receive under this agreement. The Company will use the current pre-merger American Airlines company seniority date for each LAA Maintenance Planner/QA/MTS and Technical Document Specialist to determine the equivalent applicable pay step and hourly rate the employee may receive as if he/she were placed on the applicable pay steps in Attachment A. Any future general wage increases to the pre-merger American Airlines Maintenance Planners'/QA/MTS and Technical Document Specialists' base rate of pay will be applied in accordance with Attachment A.
 - 2. If the employee's current hourly rate is higher than the corresponding pay step on the applicable pay scale in Attachment A based on his/her LAA company seniority, he/she shall receive the next step on the scale that is higher than his current pay rate (e.g., a fifth year pre-merger American Airlines Maintenance Planner that is currently earning \$32.00 per hour, which is above the fifth year pay step of \$30.77 per hour, but does not match any pay rate on the scale, will now earn a base rate pay equivalent to the sixth pay step which is \$33.43 per hour). Thereafter, the employee will progress to the next higher step on the pay scale when his company seniority date makes him eligible for such higher step.
 - 3. All current MTS employees as of the effective date of this Agreement will be placed at TOS on the MTS pay scale in Attachment A.
 - 4. If the employee's current hourly rate is lower than the corresponding pay step on the applicable pay scale in Attachment A based on his/her LAA company seniority, he/she shall receive an increase that brings him/her to that corresponding pay step on the pay scale (e.g. a fifth year pre-merger American Airlines Maintenance Planner that is currently earning \$27 per hour, which is below the fifth year pay step of \$30.77 per hour, will now earn a base rate equivalent to the fifth pay step which is \$30.77).
 - The pay seniority date established to place the accreted employees on to the applicable pay scale will be used to establish pay progression to the next higher step on the scale.

- 6. If the employee's current hourly rate exceeds the Top of Scale (TOS) rate outlined in Attachment A, he/she will be "red circled".
- 7. For employees covered by Paragraph 6 above, they will receive a one-time lump sum payment equivalent to 23% of the employee's annual base earnings based on a 2080 hour work schedule.
- B. For all other employees covered by this Agreement, those employees who are at TOS will be placed at the TOS rate of pay on the applicable new scale in Attachment A. For US Airways Utility employees, the applicable new scale will be the Cleaner pay scale in Attachment A. Those employees who are not at TOS will be placed on the equivalent step on the applicable new scale in Attachment A, or if the equivalent step would result in a lower rate of pay based on their wage rate and applicable premiums, they will be "red circled" at their current rate of pay and receive a one-time lump sum payment as set forth in Attachment B. Thereafter, the employee will progress to the next higher step on the pay scale when his length of service in the classification makes him eligible for such higher step.
- C. For employees receiving a flex rate of pay as of the effective date of this Agreement, such employees will be placed on the equivalent step on the applicable new pay scale in Attachment A. Such employees will remain at that pay step on the new pay scale until such time as his seniority reaches a point that would allow him to advance to the next step. If an employee subsequently relocates to a city where he is not entitled to a flex rate, the terms of the applicable CBA shall govern.
- D. For employees who receive a lump sum payment(s) under this Agreement, such payment will be subject to applicable taxes and withholdings.
- E. License Premium for US Airways mechanic and related employees will match premerger American Airlines TWU at \$2.50/hr. per license and will be applied to any employees pursuant to Article 12(H) of the IAM agreement.
- F. Inspector Premium for US Airways Inspectors will match pre-merger American Airlines TWU at \$1.75/hr. and will be applied pursuant to Article 12(H) of the IAM agreement.
- G. Line Premium for US Airways mechanics will match pre-merger American Airlines TWU at \$0.55/hr. and will be applied pursuant to Article 4(c)1 of the AA/TWU M&R agreement.
- H. Line Premium for US Airways MCTs will match pre-merger American Airlines TWU at \$2.55/hr. and will be applied pursuant to Article 4(f) of the AA/TWU MCT agreement.
- I. MCT Premium for pre-merger American Airlines MCT employees will match pre-merger US Airways IAM at \$1.75/hr. and will be applied pursuant to Article 18(H) of the IAM agreement.

- J. Skill Premium for US Airways and pre-merger American Airlines GSE/Plant Maintenance mechanics will be \$2.81/hr. and will be applied pursuant to Article 4(e)(9) of the AA/TWU M&R agreement.
- K. Skill Premium for US Airways mechanics performing welder or machinist work and not holding an A&P license will be \$3.45/hr.
- L. Current longevity pay for pre-merger American Airlines MLS and MCT employees will be included in the chart rate of pay in Attachment A (i.e., going forward, current longevity pay is included in the base rate of pay).
- M. The current skill premium for pre-merger American Airlines MSP employees under Article 4(e)(9) of the AA/TWU M&R agreement will be included in the chart rate of pay in Attachment A. (i.e., going forward, skill premium is included in the base rate of pay).
- N. The Company commits to work with the Association on any issues that may arise from utilizing pay seniority for pay slotting.
- O. Any premiums not listed in this agreement will be governed and applied as described under the existing CBA's.
- P. Since the pay increases provide a higher monetary value from the Company match contribution for pre-merger American Airlines TWU represented employees participating in American's 401k and Savings program, the Company agrees to increase contributions to the IAM Pension Plan on behalf of the employees covered by Article 21 of the IAM/US Airways Mechanic and related and Maintenance Training Specialist agreements to:
 - \$2.20 per hour for all Planners, Technical Documentation Specialists,
 Mechanics and higher classifications in accordance with plan rules.
 - \$1.60 per hour for all Stock Clerk classifications in accordance with plan rules.
 - \$1.15 per hour for all Utility classifications in accordance with plan rules.
 - \$2.65 per hour for Maintenance Training Specialists in accordance with plan rules
- Q. The parties recognize that the Company may not be able to implement the pay and applicable premium increases and the lump sum payments at the time they become effective. For any payments that are not implemented at the time they become effective, the Company will make an estimated payment (equivalent to the increase in wages and applicable premiums and/or the lump sum payment) to the affected employee no later than 21 days after the effective date of this Agreement. No later than 150 days after the effective date of this Agreement, the Company will make a supplemental payment, if any, equivalent to the amount that the Company's estimated payment differs from the actual hours worked by the

employee during the relevant time period.

II. Cross Utilization

- A. Cross Utilization: Notwithstanding any provision in the TWU CBA, the Company may utilize US Airways employees in classifications as described in III A below, covered under the IAM CBAs, to perform pre-merger American Airlines Mechanic and Related work at any location (excluding bases) in classifications as described in III A below. Notwithstanding any provision in the IAM CBA, the Company may utilize pre-merger American Airlines employees, covered under the TWU CBAs in classifications as described in III A below, to perform US Airways maintenance and related work at any location (excluding bases) in classifications as described in III A below. Work performed (as covered by the current CBAs) by US Airways or pre-merger American Airlines Mechanic, MLS/Stores and MCT employees on any aircraft will not be considered a violation of any provision of any legacy CBA.
- B. The Company may utilize pre-merger American Airlines employees within the Accreted groups (Planners/QA/Tech Docs and Management Training Instructors) to perform US Airways equivalent work at any location.
- C. Should the Company staff any new domestic Line maintenance locations during this interim period, the provisions of II.A. will apply.

III. Job Protection

In exchange for the cross utilization changes contained within this Agreement, the Company agrees to provide job protection as defined below:

- A. Station protection: If cross-utilization is used by the Company at any line maintenance location within a specific classification, then station protection at that location is triggered for all eligible Association-represented employees in that same classification. For purposes of this Agreement, there will be three classification groups: 1.) Aircraft Mechanics, Inspectors, and MLS/Stores; 2.) GSE/Plant Maintenance; and 3.) MCT. Crew Chiefs/Leads will be station protected in their basic classification.
- B. Base maintenance employees will not receive station protection because they will continue to receive their existing headcount floor (and the outsourcing percentage limitation (Letter of Clarification of 2(B)) in the LUS M&R CBA and the outsourcing percentage limitations (Article 1(e)) in the LAA M&R CBA.
- C. If the Company cross-utilizes employees within a specific Accreted classification, then station protection is triggered for all eligible Association-represented employees in that Accreted classification in all locations.
- D. Relocation of the Accreted Groups as part of the integration and merger will not be considered a violation of the above job protection provisions.
- E. Prior to implementation of cross-utilization at a specific station, the Company will formally notify the Association of the effective date that employees will be cross

utilized at that station. If the Company directs employees to perform cross utilization work prior to notifying the Association, station protection as described above will be invoked.

- F. The job protections described above will apply only to those employees whose names appear on the applicable system seniority list as of the effective date of this Agreement and shall not apply in circumstances where the Company's non-compliance is caused in substantial part by Conditions Beyond the Company's Control.
 - 1. "Conditions Beyond The Company's Control" shall include, but not be limited to, the following: (1) an act of God; (2) a strike by any other company employee group or the employees of a Commuter Air Carrier operating pursuant to an authorized codeshare arrangement with the company; (3) a national emergency; (4) involuntary revocation of the company's operating certificate(s); (5) grounding of a substantial number of the company's aircraft; (6) a reduction in the company's operation resulting from a decrease in available fuel supply caused by either governmental action or by commercial suppliers being unable to meet the Company's demands; and (7) the unavailability of aircraft scheduled for delivery

IV. Effective Date and Duration

This Agreement will become effective upon the execution by the Parties and will remain in effect until a JCBA becomes effective.

To the extent not modified by this Agreement, all provisions of the IAM CBA and the TWU CBA remain in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Agreement effective this _5_day of August 2016.

For American Airlines, Inc.

By:

For TWU/IAM Mechanic Association

For TWU/IAM Stores Association

By: < /

Page 6 of 6

| O. |
|------------|
| = |
| |
| = |
| ₽. |
| _ |
| |
| 5 |
| 7 |
| ₽. |
| <u>, w</u> |
| _ |
| |
| _ |
| ~ |
| _ |
| 20 |
| ~ |
| |
| 7 |
| _ |
| |
| 0 |
| 유 |
| 유 |
| _ |
| ot Be |
| Вe |
| Вe |
| Be 1 |
| Вe |
| Be Dis |
| Be Disc |
| Be Disc |
| Be Discl |
| Be Discl |
| Be Discl |
| Be Discl |

| | 밀 | | | LAA Wage |
|---|---|---|--|---------------------------------------|
| | Plant/GSE Mx | | Inspectors | Wage Scales AMTS |
| 4-5 6-7 7-8 8+ | YOS 0-1 1-2 2-3 3-4 | 0-1 1-2 2-3 4-5 5-6 7-8 7-8 | 0-1 1-2 2-3 3-4 4-5 5-6 6-7 7-8 8+ | Attachment A |
| 28.93 31.12 33.33 37.94 41.76 | <u>DOS</u> 22.35 25.79 27.47 27.90 | 22.35 25.79 27.48 27.95 29.03 31.33 33.67 38.53 42.56 | 22.35 25.79 27.47 27.90 28.93 31.12 33.33 37.94 41.76 DOS | Mechanic and Related 1.5% DOS 9/12/17 |
| 29.36 31.58 33.83 38.51 42.39 | 1.5% 9/12/17 22.69 26.17 27.88 28.32 | 22.69 26.18 27.90 28.37 29.46 31.80 34.18 39.11 43.20 | 22.69 26.17 27.88 28.32 29.36 31.58 33.83 38.51 42.39 1.5% 9/12/17 | nd Related 1.5% 9/12/17 |

Wage Scales

| | | | | | | | | | | MOC | | | | | | | | | | | | Cleaners | | | | | | | | | | | | · | Stock Clerks | |
|-------|-----------|-------|-------|-------|-------|-------|-------|-------|-------|------------|------|--------------|-------|-------|-------|------------|-------|----------------|-------|-------|-------|------------------------|-------|-------|-------|-------|-------|-------|------------|---------------|--------|-------|-------|-------|--------------|--|
| 4 | 8-9 9- | 7-8 | 6-7 | 5-6 | 4-5 | 3-4 | 2-3 | 1-2 | 0-1 | <u>807</u> | | · • | 8-9 | 7-8 | 6-7 | 5-6 5-0 | 4-5 | ှ -န | 2-3 | 1-2 | 91 | SOX | 11+ | 10-11 | 9-10 | 8-9 | 7-8 | 6-7 | 5 7 | 4 5 | 3 4 | 2-3 | 1-2 | 0-1 | YOS | |
| 52.08 | 45.36 | 43.16 | 37.85 | 35.56 | 32.70 | 31.50 | 31.02 | 29.16 | 25.03 | DOS | | <u>25.15</u> | 22.50 | 18.80 | 17.76 | 17.24 | 15.86 | 14.58 | 13.96 | 13.31 | 12.26 | Dos | 29.72 | 29.55 | 29.37 | 27.35 | 25.04 | 24.46 | 22.54 | 20.24 | 18.63 | 16.85 | 15.59 | 14.86 | DOS | |
| 53.64 | 46.72 | 44.45 | 38.99 | 36.63 | 33.68 | 32.45 | 31.95 | 30.04 | 25.78 | 9/12/17 | 3,0% | <u>25.53</u> | 22.83 | 19.08 | 18.02 | 17.50 | 16.10 | 14.80 | 14.17 | 13.51 | 12.44 | 1.5% <u>9/12/17</u> | | | | | ٠ | | | | ٠ | | • | | ÷ | |

| LAA | Atta | Attachment A | Mechanic and Related | nd Related | |
|-------------|------------|--------------|----------------------|--------------|---|
| Wage Scales | les | | | 1.5% | |
| | <u>MSO</u> | YOS | DOS | 9/12/17 | |
| | | 0-1 | 11.43 | 11.60 | |
| | | 1-2 | 13.48 | 13.68 | |
| | | 2-3 | 15.18 | 15.40 | |
| | | 3- 4 | 16.42 | 16.66 | |
| | | 45 | 17.95 | 18.22 | |
| | | ტ | 20.26 | 20.57 | |
| | | 6-7 | 21.64 | 21.97 | |
| | | 7-8 | 23.97 | 24.33 | |
| | | 8-9 | 25,47 | 25.85 | |
| | | 9 | 31.71 | <u>32.19</u> | • |
| | | | | 1.5% | |
| | MSP | SOA | DOS | 9/12/17 | |
| | | 0-1 | 11.78 | 11.96 | |
| | | 1-2 | 14.01 | 14.22 | |
| | | 2-3 | 15.67 | 15.91 | |
| | | 3 <u>.4</u> | 16.95 | 17.20 | |
| | | 4 -5 | 18.57 | 18.84 | |
| | ٠ | 5-6 | 21.05 | 21.37 | |
| | | 6-7 | 22.35 | 22.68 | |
| ٠ | | 7-8 | 24.89 | 25.26 | |
| ٠ | | 8 <u>-</u> 9 | 26.45 | 26.84 | |
| | | 9 | 31.75 | 32.22 | |

| ١ |
|---|
| |
| 1 |
| |
| ī |
| ł |
| ١ |
| i |
| : |
| į |
| ī |
| |
| |
| |
| |
| |
| 1 |
| |
| |
| ۱ |
| |
| • |
| |
| • |
| • |
| • |
| • |
| • |
| • |
| |
| |
| |
| |
| |
| |
| |
| |
| |
| |

| | - | | - | | | | | | Inspectors | | , | | | | | | • | | Mechanics | Wage Scales |
|--------------|-------|-------|-------|-------|-------|-------|-------|-------|-----------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------|-------------|
| 8+ | 7-8 | 6-7 | 5-6 | 4-5 | 3-4 | 2-3 | 1-2 | 0-1 | SOA | 8+ | 7-8 | 6-7 | 5-6 | 4-5 | 3-4 | 2-3 | 1-2 | 0-1 | SOA | |
| <u>42.56</u> | 38.53 | 33.67 | 31.33 | 29.03 | 27.95 | 27.48 | 25.79 | 22.35 | DOS | 41.76 | 37.94 | 33.33 | 31.12 | 28.93 | 27.90 | 27.47 | 25.79 | 22.35 | DOS | |
| <u>43.20</u> | 39.11 | 34.18 | 31.80 | 29.46 | 28.37 | 27.90 | 26.18 | 22.69 | 1.5% 9/12/17 | 42.39 | 38.51 | 33.83 | 31.58 | 29.36 | 28.32 | 27.88 | 26.17 | 22.69 | 9/12/17 | 1.5% |

LUS

| Wage Scales Plant/GSE Mx | <u>YOS</u> | <u>DOS</u> 22.35 | 1.5% <u>9/12/17</u> 22.69 |
|--------------------------|---|---|--|
| | 0-1 1-2 2-3 3-4 4-5 6-7 7-8 | 22.35 25.79 27.47 27.90 28.93 31.12 33.33 37.94 41.76 | 22.69 26.17 27.88 28.32 29.36 31.58 33.83 38.51 42.39 |
| Stock Clerks | YOS 0-1 1-2 2-3 3-4 | DOS 14.86 15.59 16.85 18.63 | 1.5% 9/12/17 15.08 15.82 17.11 18.90 |
| | 4-5 5-6 6-7 7-8 8-9 9-10 10-11 11+ | 20.24 22.54 24.46 25.04 27.35 29.37 29.55 29 .72 | 20.55 22.88 24.82 25.42 27.76 29.81 29.99 30.16 |

SUI

| _ |
|--------------|
| ⋍ |
| = |
| _ ; ; |
| Ω. |
| æ |
| 3 |
| 7 |
| Ε. |
| = |
| |
| · |
| |
| Ma |
| ۳. |
| _ |
| フ |
| |
| |
| ō |
| 2 |
| 2 |
| 2 |
| ot B |
| 2 |
| 2 |
| 2 |
| 2 |
| 2 |
| 2 |
| ot Be Disclo |
| ot Be Disclo |

| | | | | | • | | | | • | MCI | | | | | | | | • | | | Utility | Wage Scales |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------------------------|-------|-------|-------|-------|-------|----------------|-------------|-------|-------|-------|------------------------|-------------|
| 9+ | 8-9 | 7-8 | 6-7 | 5-6 | 4-5 | 3-4 | 2-3 | . 1-2 | 0-1 | SOA | 9+ | 8-9 | 7-8 | 6-7 | 5-6 | 1 5 | 3 4 - | 2-3 | 1-2 | 0-1 | SOA | |
| 52.08 | 45.36 | 43.16 | 37.85 | 35.56 | 32.70 | 31.50 | 31.02 | 29.16 | 25.03 | <u>DOS</u> | 25.15 | 22.50 | 18.80 | 17.76 | 17.24 | 15.86 | 14.58 | 13,96 | 13.31 | 12.26 | DOS | |
| 52.86 | 46.04 | 43.81 | 38.42 | 36.10 | 33.19 | 31.97 | 31.48 | 29.60 | 25.41 | 1.5% <u>9/12/17</u> | 25.53 | 22.83 | 19.08 | 18.02 | 17.50 | 16.10 | 14.80 | 14.17 | 13.51 | 12.44 | 1.5% 9/12/17 | |

SnT

| Ĥ |
|------------------|
| = |
| ;;; |
| d |
| <u>—</u> |
| × |
| = |
| ᇽ. |
| B |
| _ |
| 1 |
| |
| ~ |
| 1 |
| . " |
| ~ |
| - |
| Z |
| ਨ |
| Ť |
| Ħ |
| |
| æ |
| П |
| $\mathbf{\circ}$ |
| |
| ທ |
| 므 |
| $\overline{}$ |
| × |
| * |
| œ |
| α. |
| |

| | | | | | | | | | | QAC | | | | | | | | | | | Planners | Wage Scales |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|------|-------|-------|-------|-------|-------|-------|-------|-------|--------|----------|-------------|
| 9 | 8-9 | 7-8 | 6-7 | 5-6 | 4-5 | 3-4 | 2-3 | 1-2 | 0-1 | SOX | | 7+ | 6-7 | 5-6 | 4-5 | 3-4 | 2-3 | 1-2 | 0-1 | | SOY | |
| 45.39 | 43.72 | 41.59 | 36.97 | 34.47 | 32.30 | 31.20 | 30.67 | 28.90 | 25.51 | DOS | | 37.29 | 34.82 | 33.43 | 30.77 | 27.89 | 25.09 | 22.35 | 18.46 |] } | DOS | |
| 46.07 | 44.37 | 42.22 | 37.53 | 34.99 | 32.78 | 31.67 | 31.13 | 29.34 | 25.90 | 9/12/17 | 1.5% | 37.85 | 35.34 | 33.93 | 31.23 | 28.31 | 25.47 | 22.68 | 18.73 | | 9/12/17 | 1 70/ |

LUS

| Confide |
|----------|
| ential - |
| May |
| Not B |
| Зе Discl |
| losec |

| | | | | | | | | MTS | | | | | | | | | | | | Tech Docs | | Wage Scales |
|--------------|-------|-------|-------|-------|-------|-------|-------|---------|------|-------|-------|-------|-------|-------|-------|-------------|-------|-------|-------|-----------|------|-------------|
| 7+ | 6-7 | 5-6 | 4-5 | 34 | 2-3 | 1-2 | 0-1 | SOA | | 9+ | 8-9 | 7-8 | 6-7 | 5-6 | 4-5 | 3- <u>4</u> | 2-3 | 1-2 | 0-1 | SOA | | |
| 49.64 | 46.90 | 44.34 | 41.89 | 39.57 | 37,40 | 35.35 | 33.39 | DOS | | 42.77 | 41.24 | 39.23 | 34.58 | 32.49 | 30.04 | 28.98 | 28.54 | 26.89 | 23.40 | DOS | ٠, | |
| <u>50.39</u> | 47.60 | 45.01 | 42.51 | 40.16 | 37.96 | 35.88 | 33.89 | 9/12/17 | 1.5% | 43.41 | 41.85 | 39.82 | 35.10 | 32.97 | 30.49 | 29.42 | 28.97 | 27.29 | 23.75 | 9/12/17 | 1.5% | |

SnT

| Cleaners | Cleaners | Cleaners | Cleaners | Cleaners | MCTs | MCTs | MCTs | MCTs | Stock Clerks | Stock Clerks | Stock Clerks | Stock Clerks | Work Group |
|----------|----------|----------|----------|----------|--------|--------|-------|-------|--------------|--------------|--------------|--------------|---------------------|
| SnT | LUS | LUS | LUS | LUS | LAA | LAA | LAA | LAA | LUS | SnT | LUS | SnT | LAA/LUS |
| . 7 | 6 | Ui | 44 | — | 4 | ယ | 2 | щ | О | 4. | ω | 2 | SOX |
| 20.74 | 19.85 | 19.61 | 16.38 | 12.42 | 43.52 | 42.83 | 42.34 | 41.80 | 21.86 | 20.03 | 17.92 | 16.34 | Current All in Wage |
| 21% | 23% | 17% | 13% | 10% | 12% | 13% | 11% | 2% | 26% | 26% | 24% | 24% | % Increase |
| 9,150 | 9,309 | 7,066 | 4,390 | 2,489 | 10,863 | 11,581 | 9,688 | 1,739 | 11,658 | 10,657 | 9,128 | 8,323 | Lump Sum |

Case: 1:17-cv-02534 Document #: 1 Filed: 04/03/17 Page 46 of 80 PageID #:46



Service of Process Transmittal

03/16/2017

CT Log Number 530874683

TO: Leslie Floyd

American Airlines Group Inc. 4333 Amon Carter Blvd, MD-5675 Fort Worth, TX 76155-2664

RE: Process Served in Illinois

FOR: American Airlines, Inc. (Domestic State: DE)

ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:

TITLE OF ACTION: Thomas Ballard, on behalf of himself and all others similarly situated,

Pltf. vs. American Airlines, Inc., etc., Dft.

DOCUMENT(S) SERVED: Summonses, Class Action Complaint, Attachment(s)

COURT/AGENCY: Cook County Circuit Court - County Department - Chancery Division, IL

Case # 2017CH02917

NATURE OF ACTION: Employee Litigation

ON WHOM PROCESS WAS SERVED: C T Corporation System, Chicago, IL

DATE AND HOUR OF SERVICE: By Process Server on 03/16/2017 at 11:00

JURISDICTION SERVED: Illinois

APPEARANCE OR ANSWER DUE: Within 30 days after service of this Summons, not counting the day of service

ATTORNEY(S) / SENDER(S): LARRY D. DRURY

LARRY D. DRURY, LTD. 100 North LaSalle Street Suite 2200

Suite 2200 Chicago, IL 60602 312-346-7950

ACTION ITEMS: SOP Papers with Transmittal, via UPS Next Day Air , 1Z0399EX0102617082

Image SOP

Email Notification, Townley Teso townley.teso@aa.com
Email Notification, Leslie Floyd leslie.floyd@aa.com

SIGNED:C T Corporation SystemADDRESS:208 South LaSalle Street

Suite 814

Chicago, IL 60604 312-345-4336

TELEPHONE: 312-345-4336

Page 1 of 2 / AN

Information displayed on this transmittal is for CT Corporation's record keeping purposes only and is provided to the recipient for quick reference. This information does not constitute a legal opinion as to the nature of action, the amount of damages, the answer date, or any information contained in the documents themselves. Recipient is responsible for interpreting said documents and for taking appropriate action. Signatures on certified mail receipts confirm receipt of package only, not contents.

Case: 1:17-cv-02534 Document #: 1 Filed: 04/03/17 Page 47 of 80 PageID #:47



Service of Process Transmittal

03/16/2017

CT Log Number 530874683

TO: Leslie Floyd

American Airlines Group Inc. 4333 Amon Carter Blvd, MD-5675 Fort Worth, TX 76155-2664

RE: Process Served in Illinois

Complaint, Exhibit(s)

FOR: American Airlines, Inc. (Domestic State: DE)

DOCKET HISTORY:

DOCUMENT(S) SERVED: DATE AND HOUR OF SERVICE: TO: CT LOG NUMBER:

Notice, Certificate of By Regular Mail on 03/03/2017 at 12:16 Leslie Floyd Service, Motion, Class Action postmarked: "Illegible" American Air

6 Leslie Floyd American Airlines Group Inc. 530790643

Case: 1:17-cv-02534 Document #: 1 Filed: 04/03/17 Page 48 of 80 PageID #:48

2120 - Served 2121 - Served 2220 - Not Served 2221 - Not Served 2320 - Served By Mail 2321 - Served By Mail

2420 - Served By Publication 2421 - Served By Publication

(01/25/17) CCG N001

| Summons - Alias Summons | (01,25,17) 000 1100 |
|---|--|
| IN THE CIRCUIT COURT | r of cook county, illingis _{cho2917} Calendar/Room os |
| Thomas Ballard, on behalf of himself and all others similarly situated, | TIME 00:00 |
| (Name all parties) | Class Action |
| v. | No |
| American Airlines, Inc. | PLEASE SERVE: American Airlines, Inc. c/o C T Corporation System 208 S. LaSalle St., #814 |
| ② SUMMONS | O ALIAS SUMMONS Chicago, IL 60604 |
| To each Defendant: | |
| VOLUARE SLIMMONED and required to file an | answer to the complaint in this case, a copy of which is hereto |
| | he required fee, in the Office of the Clerk of this Court at the |
| following location: | |
| Richard J. Daley Center, 50 W. Washingto | n, Room 802 , Chicago, Illinois 60602 |
| • | Rolling Meadows District 4 - Maywood |
| 5600 Old Orchard Rd. 2121 Euclid | • |
| · · · · · · · · · · · · · · · · · · · | adows, IL 60008 Maywood, IL 60153 |
| - | Markham 16501 |
| Bridgeview, IL 60455 IL 60428 | kwy. Markham, Washington, LL-01, Chicago, IL 60602 |
| You must file within 30 days after service of this Summ | · · |
| · | · · · · · · · · · · · · · · · · · · · |
| RELIEF REQUESTED IN THE COMPLAINT. | AULT MAY BE ENTERED AGAINST YOU FOR THE |
| · · · · · · · · · · · · · · · · · · · | r person to whom it was given for service, with endorsement service cannot be made, this Summons shall be returned so thirty (30) days after its date. |
| | |
| · | DOROTHY BROWN FEB 28 2017 |
| ✓ Atty. No.: 22873 | Witness: |
| Name: Larry D. Drury, Ltd. | |
| Atty. for: Plaintiff | DOROTHY BROWN, Clerk of Court |
| Address: 100 N. LaSalle Street, Suite 2200 | |
| City/State/Zip Code: Chicago, IL 60602 | Date of Service: |
| Telephone: 312/346-7950 | (To be inserted by officer on copy left with Defendant or other person) |
| Primary Email: Idd@larrydrury.com | |
| Secondary Email: Idd@larrydrury.com | - |
| Tertiary Email: | (Area Code) (Facsimile Telephone Number) |



DOC.TYPE: CHANCERY CASE NUMBER: 17CH02917 DEFENDANT AMERICAN AIRLINES INC 208 S LASALLE ST CHICAGO, IL 60604 814 DIE DATE 03/21/2017

> SERVICE INF RTN 05 802 (SYS

ATTACHED

Case: 1:17-cv-02534 Document #: 1 Filed: 04/03/17 Page 50 of 80 PageID #:50

2120 - Served

2121 - Served

2220 - Not Served

2221 - Not Served

2320 - Served By Mail

2321 - Served By Mail

2420 - Served By Publication 2421 - Served By Publication

Summons - Alias Summons

(01/25/17) CCG N001

| ominons - Anas ominons | |
|---|--|
| IN THE CIRCUIT COURT | OF COOK COUNTY, ILLINOIS |
| Thomas Ballard, on behalf of himself and all others similarly situated, (Name all parties) v. | 2017CH02917 CALENDAR/ROOM 05 TIME 00:00 Class Action |
| American Airlines, Inc. | PLEASE SERVE: American Airlines, Inc. c/o C T Corporation System 208 S. LaSalle St., #814 |
| | ALIAS SUMMONS |
| To each Defendant: | |
| attached, or otherwise file your appearance, and pay the following location: Richard J. Daley Center, 50 W. Washington District 2 - Skokie District 3 - I 5600 Old Orchard Rd. Skokie, IL 60077 Rolling Mea District 5 - Bridgeview District 6 - N | Rolling Meadows District 4 - Maywood 1500 Maybrook Dr. dows, IL 60008 Maywood, IL 60153 |
| You must file within 30 days after service of this Summ | ons, not counting the day of service. |
| RELIEF REQUESTED IN THE COMPLAINT. To the Officer: This Summons must be returned by the officer or other | person to whom it was given for service, with endorsement ervice cannot be made, this Summons shall be returned so |
| endorsed. This Summons may not be served later than t | |
| Atty. No.: 22873 Name: Larry D. Drury, Ltd. | Witness: DOROTHY BROWN FFB 28 2017 |
| Atty. for: Plaintiff | DOROTHY BROWN, Clerk of Court |
| Address: 100 N. LaSalle Street, Suite 2200 | · - |
| City/State/Zip Code: Chicago, IL 60602 | Date of Service: |
| Telephone: 312/346-7950 | |
| Primary Email: Idd@larrydrury.com | **Service by Facsimile Transmission will be accepted at: |
| Secondary Email: Idd@larrydrury.com | |
| Геrtiary Email: | (Area Code) (Facsimile Telephone Number) |

370158

DOC.TYPE: CHANCERY
CASE NUMBER: 17CH02917
DEFENDANT
AMERICAN AIRLINES INC
208 S LASALLE ST
CHICAGO, IL 60604

814

DIE DATE 03/21/2017

> SERVICE INF RTN 05 802 (SYS

ATTACHED

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS COUNTY DEPARTMENT – CHANCERY DIVISION

| THOMAS BALLARD, on behalf of himse all others similarly situated, | elf and Plaintiff, |) | 2017CH02917 CALENDAR/ROOM TIME 00:00 Class Action | 05 |
|---|-----------------------|-------------|--|----|
| v. | |) | Case No. | |
| AMERICAN AIRLINES, INC., a Delawar | re corporation, |))) | JURY DEMAND REQUESTED | |
| | Defendant. |) | - | |

CLASS ACTION COMPLAINT

Now comes the Plaintiff, THOMAS BALLARD, (hereinafter "BALLARD"), on behalf of himself and all others similarly situated, by and through his attorneys, Larry D. Drury of Larry D. Drury, Ltd., and complains of the Defendant, AMERICAN AIRLINES, INC., thereinafter "AA"), a Delaware corporation, as follows:

NATURE OF THE CASE

- 1. Plaintiff brings this class action lawsuit, on behalf of himself and all other similarly situated persons throughout the United States who, from 2014 to the date of judgment herein, were AA mechanic "Flex Employees" who were provided, as a hiring incentive, a two year flex progression of "top of scale" benefits plan.
- 2. Plaintiff resides in Chicago, Cook County, Illinois, and is a citizen of the State of Illinois.
- 3. Defendant AA is a Delaware corporation that operates as a commercial airline whose corporate headquarters is located at 4255 Amon Carter Boulevard, Fort Worth, TX 76155.
 - 4. This Court has jurisdiction over this matter pursuant to 735 ILCS 5/2-209, in that

the Defendant transacts business and committed acts relating to the matters complained of herein in the State of Illinois. This Court also has jurisdiction to declare the rights and obligations of the parties under 735 ILCS 5/2-701. Finally, Plaintiff is a citizen of the State of Illinois and submits to the jurisdiction of this State.

5. Venue is proper in this Court pursuant to 735 ILCS 5/2-101, 735 ILCS 5/2-102 and 815 ILCS 505/10a(b), and the Defendant is a Delaware corporation doing business in this county and state.

GENERAL ALLEGATIONS

- 6. Prior to his employment with AA, Plaintiff was a 24 year experienced Aviation Maintenance Technician employed at an hourly rate in excess of \$30.00 per hour.
- 7. Plaintiff investigated employment with AA upon learning that they were offering a hiring incentive of a two year flex top-of-scale pay program.
- 8. On or about March 24, 2015 Plaintiff was interviewed by a manager and lead mechanic of AA for the position of an Aviation Maintenance Technician (mechanic), based upon a hiring incentive of a two year flex top-of-scale pay program which offer was discussed at length during the interview. The two year flex program meant that Plaintiff would begin his employment with AA with credit for three years of employment and would achieve the five year top-of-scale hourly wage of \$48.00 in two years. Plaintiff was advised that he would have to join the labor union representing AA employees, but at no time during the hiring process did he meet with a union representative or was he provided with union documentation. During the interview process, the manager and lead mechanic asked Plaintiff to leave the room and upon being asked to return, Plaintiff was immediately presented with a "... conditional offer of

employment..." with contingencies. Thereafter, Plaintiff received an undated letter by mail setting forth the same "...conditional offer of employment..." with the same contingencies. A copy of the March 24, 2015 letter and the undated, mailed letter are attached hereto as Group Exhibit A.

- 9. Although Plaintiff, by accepting a position with AA would take a cut in pay from his present position, Plaintiff elected to satisfy the contingencies set forth in Group Exhibit A and accept employment at AA, based on the benefit of the two year flex program aforesaid, which was separate from and independent of the March 24, 2015 letter that would allow him to achieve top-scale-pay in two years' time.
- 10. On information and belief, the incentive two year flex program under which Plaintiff was hired had already been in place for approximately one year at the time Plaintiff was hired by AA and there were hundreds of employees hired under the same two year flex incentive program.
- 11. Plaintiff began his employment with AA in June, 2015, at a starting wage of \$25.70 per hour.
- 12. In approximately August, 2015, two months after Plaintiff left a secure position and accepted a position at AA, Plaintiff was advised that AA informed the union they wanted to rescind the two year flex pay incentive program under which Plaintiff had just been hired. On information and belief, AA knew, at the time it hired Plaintiff and the Class, that it intended to back out of, and not honor the two year flex pay incentive program to which it agreed when hiring Plaintiff and the Class.
- 13. At the time AA wanted to back out of the two year flex pay incentive program, it was the Union's position that since it only affected 5% to 6% of the employees, it was not an

AA in approximately August, 2015 between union members and management, became confrontational when one employee in particular, Jason Lapotta, who was affected by AA's breach and was voicing his concerns, was physically attacked by the union president.

- 14. At this time, the collective bargaining agreement between the Union and AA is in negotiation and no agreement has been reached, however, on or about August 5, 2015, AA entered into a Letter of Agreement with the TWU/IAM Mechanic Association and TWU/IAM Stores Association, attached hereto as Exhibit B, whereby AA has breached its agreement with the Plaintiff and the Class as to the agreed upon two year flex program. See Exhibit B, page 3, paragraph C and "Attachment A" at page 4, "Mechanics".
- 15. On information and belief, AA's breach of its hiring incentive of a two year flex program left employees who completed their two years prior to August 4, 2015, able to maintain the benefit under which they were hired, and for employees who had not completed their two years prior to August 4, 2015, it would now take 8 years to achieve the top-scale-pay which was promised to Plaintiff and the Class by AA when they were hired.
- 16. Many AA employees who were hired under the two year flex program left secure previous employment, some sold their homes and relocated their families, and some are living away from their families, in order to take advantage of the two year flex incentive program offered by AA.
- 17. AA never had any intention of honoring its hiring agreement with Plaintiff and the Class for the two year flex incentive program. AA knew or should have known when hiring the Plaintiff, that they intended to advise the Union that they wanted to rescind the two year flex program. Further, on information and belief, AA's Evita Rodriguez, Managing Director, who

oversees AA employees who were affected by the breach, had a conversation with Union

Steward, Brian Friedman which was overheard by other employees, wherein she stated that she had ten applications for every one of the two year flex employees and anyone who didn't like it could quit.

18. It was of no benefit to Plaintiff to accept employment with AA, wherein he left a secure positon, took a cut in pay, and where he ultimately sustained a serious injury as a result of his employment, without the benefit of the two year flex incentive program.

CLASS ACTION ALLEGATIONS

- 19. Pursuant to 735 ILCS 5/2-801, Plaintiff brings this class action lawsuit, on behalf of himself and all others similarly situated persons throughout the United States who, from 2014 to the date of judgment herein, were AA mechanic "Flex Employees" who were provided, as a hiring incentive, a two year flex progression of "top of scale" benefits plan.
- 20. The Class is comprised of hundreds of class members, making the joinder of such cases impracticable.
- 21. Disposition of the claims as a class action will provide substantial benefits to the parties and the class.
- 22. The rights of each member of the Class were violated in a similar fashion based upon the Defendant's uniform actions.
- 23. Questions of law and fact common to the Class predominate over questions that may affect individual members, including:
 - (A) Whether Defendant breached the two year flex plan agreement under which it hired Plaintiff and the Class;
 - (B) Whether Plaintiff and the Class are entitled to relief under Equitable Estoppel due

- to Defendant's breach of the two year flex plan agreement under which it hired Plaintiff and the Class;
- (C) Whether Plaintiff and the Class are entitled to relief under Promissory Estoppel due to Defendant's breach of the two year flex plan agreement under which it hired Plaintiff and the Class;
- (D) Whether the Defendant committed fraud by hiring Plaintiff and the Class under the two year flex incentive plan which Defendant breached;
- (E) Whether AA was or will be unjustly enriched by their breach of the two year flex program under which it hired Plaintiff and the Class;
- (F) Whether the Defendant's actions caused Plaintiff and the Class to suffer damages.
- 24. Plaintiff will fairly and adequately represent and protect the interests of the Class in that he has no interest that is antagonistic to or that irreconcilably conflicts with those of other members of the Class.
- 25. Plaintiff has retained counsel competent and experienced in the prosecution of class action litigation.
- 26. A class action is superior to all other available methods for the fair and efficient adjudication of Plaintiff's and other Class members' claims.
- 27. Certification of a class action to resolve this matter will reduce the possibility of repetitious litigation involving, potentially, thousands of class members.
- 28. Based upon the facts and circumstances herein, the class is identifiable, ascertainable and manageable.

COUNT I

BREACH OF ORAL CONTRACT

- 29. Plaintiff realleges and incorporates paragraphs 1 through 28 above as if fully set forth in this Count I.
- 30. Plaintiff and the Class and AA entered into uniform oral contracts when they were hired by AA under the two year flex incentive program which would allow them to achieve top-of-scale pay after two years of employment.
- 31. AA breached their contract with the Plaintiff and the Class by taking away the benefits afforded by the two year flex pay incentive program, after hiring Plaintiff and the Class, all to the Defendant's benefit and profit and the Plaintiff's and the Class' detriment.
- 32. As a direct result of AA's intentional and wrongful breach of their contracts,

 Plaintiff and the Class have suffered damages, including but not limited to loss of wages and topof-scale employment benefits.

COUNT II

EQUITABLE ESTOPPEL

- 33. Plaintiff realleges and incorporates paragraphs 1 through 28 above as if fully set forth in this Count II.
- 34. Defendant misrepresented and/or concealed the material fact that it intended to breach the two year flex incentive program under which it hired Plaintiff and the Class.
 - 35. Defendant knew at the time of their representations, that they were untrue.
- 36. The Plaintiff and the Class did not know that Defendant's representations were untrue at the time they were hired.
- 37. The Defendant intended or reasonably expected the Plaintiff and the Class to act upon their representations.

- 38. As a result of Defendant's misrepresentation and/or concealment, Defendant should be estopped from not fulfilling the terms of its agreement with Plaintiff and the Class and eliminating same.
- 39. Plaintiff and the Class relied on the presentations made by Defendant in good faith and to their detriment.
- 40. Plaintiff and the Class would be prejudiced by their reliance on Defendant's representations if the Defendant was permitted to deny same.

COUNT III

PROMISSORY ESTOPPEL

- 41. Plaintiff realleges and incorporates paragraphs 1 through 28 above as if fully set forth in this Count III.
- 42. AA, at the time of hiring the Plaintiff and the Class knew that they were going to back out of two year flex pay program.
- 43. There was a promise made by AA through a hiring incentive of a two year flex program under which they hired Plaintiff and the Class.
- 44. Plaintiff and the Class reasonably and justifiably relied on Defendant's promise of a two year flex pay program which would allow them to reach top-scale-pay within two years of the date of hiring.
- 45. The promise to be hired as a two year flex employee was made and Defendant should have reasonably expected and foreseen that Plaintiff and the Class would act on said promise. As a result of Defendant's promise Plaintiff left a secure position where he was making more money. Plaintiff cannot now achieve the top-of-scale pay promised after two years.
 - 46. Plaintiff and the Class relied on the promise by the Defendant to their detriment,

damage and injury.

COUNT IV

FRAUD

- 47. Plaintiff realleges and incorporates paragraphs 1 through 28 above as if fully set forth in this Count IV.
- 48. Defendants misrepresented that upon their hiring, Plaintiff and the Class were entitled to receive top-of-scale pay within two years under the two year flex pay incentive program, only to have Defendant take away the benefits afforded by the two year flex pay incentive program, after hiring Plaintiff and the Class, all to the Defendant's benefit and profit and the Plaintiff's and the Class' detriment.
- 49. Defendant knew that it misrepresented the two year flex incentive program under which Plaintiff and the Class accepted employment.
- 50. Defendant intended to deceive and defraud the Plaintiff and the Class by their acts and conduct alleged herein.
- 51. Plaintiff and the Class relied upon Defendants' fraud, deception, misrepresentations and omissions to their damage, detriment, loss and injury.

COUNT V

UNJUST ENRICHMENT

- 52. Plaintiff realleges and incorporates paragraphs 1 through 28 above as if fully set forth in this Count V.
- 53. Defendant, to the detriment of the Plaintiff and the Class, have benefitted and have been unjustly enriched where they breached the two year flex program under which it hired

Plaintiff and the Class.

- 54. Defendant has knowledge of these benefits, and has voluntarily accepted, retained and diverted said benefits by breaching the two year flex program under which it hired Plaintiff and the Class.
- 55. The circumstances described herein are such that it would be inequitable, unconscionable, unfair and unjust for Defendant to accept, retain and/or divert these ill-gotten benefits.
- 56. As a result of Defendant's unjust enrichment, Plaintiff and the Class have and will suffer damages.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff, individually and on behalf of all others similarly situated, prays that the Court enter an Order:

- A. Certifying this matter as a class action with Plaintiff as Class Representative, and designating Larry D. Drury, Ltd. as lead class counsel;
- B. Finding that Defendant breached their contracts with Plaintiff and the Class by breaching the two year flex program under which it hired Plaintiff and the Class;
- C. Finding that the Plaintiff and the Class are entitled to relief under Equitable Estoppel due to Defendant's breach of the two year flex plan agreement under which it hired Plaintiff and the Class;
- D. Finding that the Plaintiff and the Class are entitled to relief under Promissory Estoppel due to Defendant's breach of the two year flex plan agreement under which it hired Plaintiff and the Class;
- E. Finding that the Defendant committed fraud by hiring Plaintiff and the Class under the two year flex incentive plan which it then breached;
- F. Finding that Defendant was unjustly enriched by its unlawful conduct and disgorge their related revenue and profits;

- G. Finding that Plaintiff and the Class incurred damages including, but not limited to loss of wages and top-of-scale employment benefits;
- H. Requiring that Defendant pay actual, compensatory and punitive damages for its conduct as alleged herein;
- I. Awarding reasonable attorney's fees and costs; and
- J. Grant such other relief as this Court deems appropriate.

THOMAS BALLARD, on behalf of himself and all

others similarly situated,

By:

Larry D. Drury

Larry D. Drury, Ltd.

100 North LaSalle Street, Suite 2200

Chicago, Illinois 60602

(312) 346-7950

(312) 346-5777 (fax)

Attorney No. 22873

ldd@larrydrury.com

American Airlines

March 24, 2015

| Dear. | Thomas. | Balloud |
|-------|---------|---------|
|-------|---------|---------|

On behalf of American Airlines: Line Maintenance Mechanic Alreraft Maintenance ORD, it is a pleasure to confirm our offer of employment for the position Aviation Maintenance Technician - Line - ORD at an howly salary of \$25.70.

You will be receiving your pay on a weekly basis.

You will be eligible for overtime pay aquivalent to the raises and standards as set out in the governing collective bargaining. Currently, overtime is listed at one and a half times (1.5X) your regular bounty rate for each hour worked in excess of your scheduled work hours.

Please understand that this is a conditional offer of employment and is contingent upon fulfillment of the selection process, including but not limited to:

- Reference Chacks/background investigation
- American Airlines and/or FAA drug screening
- All other pre-employment requirements
- Final review of complete application, including all documents

Once you have successfully completed the steps required for your position, we will be able to establish a start date for your employment at American.

Please bring a copy of your appointment slip with two (2) forms of identification, one with a photo, when you come for the drug screen.

We sincerely believe that this position will offer you a challenging opportunity and will be both personally and professionally setisfying to you. All of us at American Airlines look forward to working with you. Should you have any questions please contact Ris Buagas at 1-866-872-3945 ext. 629-1043.

Regards,

Rob Daugherty Director, Talent Acquisition American Airlines

American Airlines

Dear Thomas,

On behalf of American Airlines, Line Maintenance Mechanic Aircraft Maintenance ORD, it is a pleasure to confirm our offer of employment for the position Aviation Maintenance Technician – Line – ORD at an hourly salary of \$20.15 plus \$ 5 license premium and 0.55 line premium a total of \$25.7.

Please understand that this is a conditional offer of employment and is contingent upon fulfillment of the selection process, including but not limited to:

- Reference Checks/background investigation
- American Airlines and/or FAA drug screening
- All other pre-employment requirements
- Final review of complete application, including all documents

Once you have successfully completed the steps required for your position, we will be able to establish a start date for your employment at American.

Please bring a copy of your appointment slip along with two (2) forms of identification, one with a photo, when you come for the drug screen.

We now invite you to complete the process to electronically review and accept the Essential Job Functions followed by the conditional offer.

Please <u>click here</u> to access the Onboarding Portal. Enter your User Name [thomasballard], and your password from when you first created your profile.

We sincerely believe that this position will offer you a challenging opportunity and will be both personally and professionally satisfying to you. All of us at American Airlines look forward to working with you. Should you have any questions please contact Ria Buagas at 1–866–872–3945 ext. 629–1043.

Regards,

Rob Daugherty Director, Talent Acquisition American Airlines

LETTER OF AGREEMENT between AMERICAN AIRLINES, INC. and the

MECHANIC AND RELATED EMPLOYEES (including Planners, Maintenance Control Technicians, Stores/Material Logistics Specialists, Quality Assurance, Technical Document Specialists and Maintenance Training Specialists)

in the service of AMERICAN AIRLINES, INC. as represented by the

TWU/IAM MECHANIC ASSOCIATION AND TWU/IAM STORES ASSOCIATION

This Letter of Agreement (this "Agreement") is made and entered into this 5th day of August, 2016 in accordance with the provisions of Title II of the Railway Labor Act, as amended, by and between American Airlines, Inc., ("American" or the "Company"), and the TWU/IAM Mechanic Association and the TWU/IAM Stores Association (collectively the "Association" or "Union"). All parties are collectively referred to as (the 'Parties").

WHEREAS, pre-merger American Airlines and US Airways merged to create the Company; and

WHEREAS, the Parties intend that for the current collective bargaining agreements covering the Mechanic and related (includes Accreted Groups), Stores/Maintenance Control Technician (MCT) and Maintenance Training Specialist (MTS) employees of US Airways (the "IAM CBA") and the current collective bargaining agreements covering the Mechanic and related, Material Logistics Specialist (MLS) and Maintenance Control Technician (MCT) employees of pre-merger American Airlines (the "TWU CBA") to remain in effect while negotiations for a Joint Collective Bargaining Agreement ("JCBA") are being conducted; and

WHEREAS, the Parties intend to provide interim pay increases and new pay rates for the Mechanic and related (includes Accreted Groups), Stores/MLS/MCT and MTS employees of both US Airways and pre-merger American Airlines, to be effective while JCBA negotiations are underway; and

WHEREAS, the Parties intend for Mechanic and related (includes Accreted Groups), Stores/MCT and MTS employees of US Airways to be able to perform Mechanic and related, MLS/MCT and MTS employee functions for pre-merger American Airlines and for Mechanic and related, MLS, MCT and Accreted Group employees of pre-merger American Airlines to be able to perform Mechanic and related (includes Accreted Groups), Stores/MCT/MTS employee functions for US Airways while JCBA negotiations are underway; and

WHEREAS, the Parties intend to provide job protection for Mechanic and related (includes Accreted Groups), Stores/MLS/MCT and MTS employees of US Airways and pre-merger American Airlines while JCBA negotiations are underway,

THEREFORE, the Parties mutually agree as follows:

I. Pay Increase/Pay Slotting

The pay scales in Attachment A will be effective for both pre-merger American Airlines and US Airways employees currently covered by the TWU CBA or the IAM CBA. The pay increase and new rates and premiums will be effective August 5, 2016. Future increases are included as part of Attachment A.

- A. For the Accreted Groups which includes the Planners/Quality Assurance (QA)/Technical Document Specialists and Management Training Instructors of premerger American Airlines:
 - 1. The hourly rates and pay steps in Attachment A will be utilized in the manner described below to determine the pay increase or lump sum payment an employee will receive under this agreement. The Company will use the current pre-merger American Airlines company seniority date for each LAA Maintenance Planner/QA/MTS and Technical Document Specialist to determine the equivalent applicable pay step and hourly rate the employee may receive as if he/she were placed on the applicable pay steps in Attachment A. Any future general wage increases to the pre-merger American Airlines Maintenance Planners'/QA/MTS and Technical Document Specialists' base rate of pay will be applied in accordance with Attachment A.
 - 2. If the employee's current hourly rate is higher than the corresponding pay step on the applicable pay scale in Attachment A based on his/her LAA company seniority, he/she shall receive the next step on the scale that is higher than his current pay rate (e.g., a fifth year pre-merger American Airlines Maintenance Planner that is currently earning \$32.00 per hour, which is above the fifth year pay step of \$30.77 per hour, but does not match any pay rate on the scale, will now earn a base rate pay equivalent to the sixth pay step which is \$33.43 per hour). Thereafter, the employee will progress to the next higher step on the pay scale when his company seniority date makes him eligible for such higher step.
 - 3. All current MTS employees as of the effective date of this Agreement will be placed at TOS on the MTS pay scale in Attachment A.
 - 4. If the employee's current hourly rate is lower than the corresponding pay step on the applicable pay scale in Attachment A based on his/her LAA company seniority, he/she shall receive an increase that brings him/her to that corresponding pay step on the pay scale (e.g. a fifth year pre-merger American Airlines Maintenance Planner that is currently earning \$27 per hour, which is below the fifth year pay step of \$30.77 per hour, will now earn a base rate equivalent to the fifth pay step which is \$30.77).
 - 5. The pay seniority date established to place the accreted employees on to the applicable pay scale will be used to establish pay progression to the next higher step on the scale.

- 6. If the employee's current hourly rate exceeds the Top of Scale (TOS) rate outlined in Attachment A, he/she will be "red circled".
- 7. For employees covered by Paragraph 6 above, they will receive a one-time lump sum payment equivalent to 23% of the employee's annual base earnings based on a 2080 hour work schedule.
- B. For all other employees covered by this Agreement, those employees who are at TOS will be placed at the TOS rate of pay on the applicable new scale in Attachment A. For US Airways Utility employees, the applicable new scale will be the Cleaner pay scale in Attachment A. Those employees who are not at TOS will be placed on the equivalent step on the applicable new scale in Attachment A, or if the equivalent step would result in a lower rate of pay based on their wage rate and applicable premiums, they will be "red circled" at their current rate of pay and receive a one-time lump sum payment as set forth in Attachment B. Thereafter, the employee will progress to the next higher step on the pay scale when his length of service in the classification makes him eligible for such higher step.
- C. For employees receiving a flex rate of pay as of the effective date of this Agreement, such employees will be placed on the equivalent step on the applicable new pay scale in Attachment A. Such employees will remain at that pay step on the new pay scale until such time as his seniority reaches a point that would allow him to advance to the next step. If an employee subsequently relocates to a city where he is not entitled to a flex rate, the terms of the applicable CBA shall govern.
- D. For employees who receive a lump sum payment(s) under this Agreement, such payment will be subject to applicable taxes and withholdings.
- E. License Premium for US Airways mechanic and related employees will match premerger American Airlines TWU at \$2.50/hr. per license and will be applied to any employees pursuant to Article 12(H) of the IAM agreement.
- F. Inspector Premium for US Airways Inspectors will match pre-merger American Airlines TWU at \$1.75/hr. and will be applied pursuant to Article 12(H) of the IAM agreement.
- G. Line Premium for US Airways mechanics will match pre-merger American Airlines TWU at \$0.55/hr. and will be applied pursuant to Article 4(c)1 of the AA/TWU M&R agreement.
- H. Line Premium for US Airways MCTs will match pre-merger American Airlines TWU at \$2.55/hr. and will be applied pursuant to Article 4(f) of the AA/TWU MCT agreement.
- MCT Premium for pre-merger American Airlines MCT employees will match pre-merger US Airways IAM at \$1.75/hr. and will be applied pursuant to Article 18(H) of the IAM agreement.

- J. Skill Premium for US Airways and pre-merger American Airlines GSE/Plant Maintenance mechanics will be \$2.81/hr. and will be applied pursuant to Article 4(e)(9) of the AA/TWU M&R agreement.
- K. Skill Premium for US Airways mechanics performing welder or machinist work and not holding an A&P license will be \$3.45/hr.
- L. Current longevity pay for pre-merger American Airlines MLS and MCT employees will be included in the chart rate of pay in Attachment A (i.e., going forward, current longevity pay is included in the base rate of pay).
- M. The current skill premium for pre-merger American Airlines MSP employees under Article 4(e)(9) of the AA/TWU M&R agreement will be included in the chart rate of pay in Attachment A. (i.e., going forward, skill premium is included in the base rate of pay).
- N. The Company commits to work with the Association on any issues that may arise from utilizing pay seniority for pay slotting.
- O. Any premiums not listed in this agreement will be governed and applied as described under the existing CBA's.
- P. Since the pay increases provide a higher monetary value from the Company match contribution for pre-merger American Airlines TWU represented employees participating in American's 401k and Savings program, the Company agrees to increase contributions to the IAM Pension Plan on behalf of the employees covered by Article 21 of the IAM/US Airways Mechanic and related and Maintenance Training Specialist agreements to:
 - \$2.20 per hour for all Planners, Technical Documentation Specialists, Mechanics and higher classifications in accordance with plan rules.
 - \$1.60 per hour for all Stock Clerk classifications in accordance with plan rules.
 - \$1.15 per hour for all Utility classifications in accordance with plan rules.
 - \$2.65 per hour for Maintenance Training Specialists in accordance with plan rules
- Q. The parties recognize that the Company may not be able to implement the pay and applicable premium increases and the lump sum payments at the time they become effective. For any payments that are not implemented at the time they become effective, the Company will make an estimated payment (equivalent to the increase in wages and applicable premiums and/or the lump sum payment) to the affected employee no later than 21 days after the effective date of this Agreement. No later than 150 days after the effective date of this Agreement, the Company will make a supplemental payment, if any, equivalent to the amount that the Company's estimated payment differs from the actual hours worked by the

employee during the relevant time period.

II. Cross Utilization

- A. Cross Utilization: Notwithstanding any provision in the TWU CBA, the Company may utilize US Airways employees in classifications as described in III A below, covered under the IAM CBAs, to perform pre-merger American Airlines Mechanic and Related work at any location (excluding bases) in classifications as described in III A below. Notwithstanding any provision in the IAM CBA, the Company may utilize pre-merger American Airlines employees, covered under the TWU CBAs in classifications as described in III A below, to perform US Airways maintenance and related work at any location (excluding bases) in classifications as described in III A below. Work performed (as covered by the current CBAs) by US Airways or pre-merger American Airlines Mechanic, MLS/Stores and MCT employees on any aircraft will not be considered a violation of any provision of any legacy CBA.
- B. The Company may utilize pre-merger American Airlines employees within the Accreted groups (Planners/QA/Tech Docs and Management Training Instructors) to perform US Airways equivalent work at any location.
- C. Should the Company staff any new domestic Line maintenance locations during this interim period, the provisions of II.A. will apply.

III. Job Protection

In exchange for the cross utilization changes contained within this Agreement, the Company agrees to provide job protection as defined below:

- A. Station protection: If cross-utilization is used by the Company at any line maintenance location within a specific classification, then station protection at that location is triggered for all eligible Association-represented employees in that same classification. For purposes of this Agreement, there will be three classification groups: 1.) Aircraft Mechanics, Inspectors, and MLS/Stores; 2.) GSE/Plant Maintenance; and 3.) MCT. Crew Chiefs/Leads will be station protected in their basic classification.
- B. Base maintenance employees will not receive station protection because they will continue to receive their existing headcount floor (and the outsourcing percentage limitation (Letter of Clarification of 2(B)) in the LUS M&R CBA and the outsourcing percentage limitations (Article 1(e)) in the LAA M&R CBA.
- C. If the Company cross-utilizes employees within a specific Accreted classification, then station protection is triggered for all eligible Association-represented employees in that Accreted classification in all locations.
- D. Relocation of the Accreted Groups as part of the integration and merger will not be considered a violation of the above job protection provisions.
- E. Prior to implementation of cross-utilization at a specific station, the Company will formally notify the Association of the effective date that employees will be cross

utilized at that station. If the Company directs employees to perform cross utilization work prior to notifying the Association, station protection as described above will be invoked.

- F. The job protections described above will apply only to those employees whose names appear on the applicable system seniority list as of the effective date of this Agreement and shall not apply in circumstances where the Company's non-compliance is caused in substantial part by Conditions Beyond the Company's Control.
 - 1. "Conditions Beyond The Company's Control" shall include, but not be limited to, the following: (1) an act of God; (2) a strike by any other company employee group or the employees of a Commuter Air Carrier operating pursuant to an authorized codeshare arrangement with the company; (3) a national emergency; (4) involuntary revocation of the company's operating certificate(s); (5) grounding of a substantial number of the company's aircraft; (6) a reduction in the company's operation resulting from a decrease in available fuel supply caused by either governmental action or by commercial suppliers being unable to meet the Company's demands; and (7) the unavailability of aircraft scheduled for delivery

IV. Effective Date and Duration

This Agreement will become effective upon the execution by the Parties and will remain in effect until a JCBA becomes effective.

To the extent not modified by this Agreement, all provisions of the IAM CBA and the TWU CBA remain in effect.

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Agreement effective this 5 day of August 2016.

For American Airlines, Inc.

By:

-For TWU/IAM Mechanic Association

For TWU/IAM Stores Association

By: _/_

Silo Pantoja

| Confiden |
|----------|
| tial . |
| ·Ma |
| Ż |
| ot Be |
| Ü |
| sclo |

| | | | | | | | | | | | | | | | | | | | | | | • | | | | | | Ŭ | | | | | | | |
|--------|-------|-------|-------|-------|-------------|-------|-------|-------|--------------|-------|------|--------|-------|-------|-------|-------------|--------|-------|-------|----------|------------|------|---------------|-------|-------|---------|-------|----------|-------|-------|-------|------------|-------------|----------------------|--|
| | | | | | | | | | Ptd | | | | | | | | | | | | | | | | | ٠ | | | | | | | Wag | LAA | |
| | | | | | | • | | | Plant/GSE Mx | | | | | | | | | • | | | Inspectors | • | | | : | | | | • | | | . AMTs | Wage Scales | | |
| 8 + | 7-8 | 6-7 | 5-6 | 4-5 | 3 4 , | 2-3 | 1-2 | 0-1 | <u>XOS</u> | Š | | 8 + | 7-8 | 6-7 | 5-6 | <u>4</u> -5 | 3 1 | 2-3 | 1-2 | <u> </u> | <u> </u> | | 8 + | 7-8 | 67 | 5. 6 | 45 | <u>3</u> | 2-3 | 1-2 | ይ | <u>YOS</u> | | Attachment A | |
| 41.76 | 37.94 | 33.33 | 31.12 | 28.93 | 27.90 | 27.47 | 25.79 | 22.35 | DOS | 1 | | 42.56 | 38.53 | 33.67 | 31.33 | 29.03 | 27.95 | 27.48 | 25.79 | 22.35 | DOS | | 41.76 | 37.94 | 33.33 | 31.12 | 28.93 | 27.90 | 27.47 | 25.79 | 22.35 | DOS | | Mechanic and Kelated | |
| 42.39 | 38.51 | 33.83 | 31.58 | 29.36 | 28.32 | 27.88 | 26.17 | 22.69 | 71771 | 64646 | 1 5% | 43.20 | 39.11 | 34.18 | 31.80 | 29.46 | 28.37 | 27.90 | 26.18 | 22.69 | 9/12/17 | 1.5% | 42.39 | 38.51 | 33.83 | 31,58 | 29.36 | 28.32 | 27.88 | 26.17 | 22.69 | 9/12/17 | 1.5% | d Kelated | |

LAA Wage Scales

| \cap |
|-----------|
| 2 |
| 5 |
| 7 |
| 6 |
| 2 |
| E |
| _ |
| ı |
| ~ |
| ia |
| Ę |
| 7 |
| ~ |
| × |
| ш |
| Ď |
| |
| \succeq |
| × |
| ÷ |
| ĸ |
| Ø |

| | | | | | | | | • | | MOC | | | | | | | • | | ٠ | | | Cleaners | | | | | | | | | | | | • | | Stock Clerks | מיייןי שיייןיי |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|------|--------------|-------|-------|-------|-----------------|-------|-------|-------|-------|-------|----------|------|-------|-------|-------|-------|-------|-------|--------------|-------|-------------|-------|-------|-------|--------------|----------------|
| 4 | 8-9 | 7-8 | 6-7 | 5-6 | 4-5 | 3-4 | 2-3 | 1-2 | 21 | SOA | | 9+ | 8-9 | 7-8 | 6-7 | 5 -6 | 4-5 | 3-44 | 2-3 | 1-2 | 오 | SOX | | 11+ | 10-11 | 9-10 | 8-9 | 7-8 | 6-7 | 5 <u>5</u> 6 | 4-5 | 3- <u>4</u> | 2-3 | 1-2 | 0-1 | | く |
| 52.08 | 45.36 | 43.16 | 37.85 | 35.56 | 32.70 | 31.50 | 31.02 | 29,16 | 25.03 | DOS | | <u>25,15</u> | 22.50 | 18.80 | 17.76 | 17.24 | 15.86 | 14.58 | 13.96 | 13.31 | 12.26 | DOS | | 29.72 | 29.55 | 29.37 | 27.35 | 25.04 | 24.46 | 22.54 | 20.24 | 18.63 | 16.85 | 15.59 | 14.86 | 000 | ב מ |
| 53.64 | 46.72 | 44.45 | 38.99 | 36.63 | 33.68 | 32.45 | 31.95 | 30.04 | 25.78 | 9/12/17 | 3,0% | <u>25.53</u> | 22.83 | 19.08 | 18.02 | 17.50 | 16.10 | 14.80 | 14.17 | 13.51 | 12.44 | 9/12/17 | 1.5% | | | • | | ٠ | | | | | | • | | | |

| 0 |
|---------|
| ~ |
| بنغ |
| = |
| Σ. |
| |
| TD. |
| = |
| ~ |
| ₩. |
| Ψ. |
| _ |
| |
| _ |
| Maj |
| - |
| 20 |
| - |
| ~ |
| _ |
| |
| |
| _ |
| ◙ |
| 2 |
| Ξ |
| ot Be |
| Ξ |
| В |
| В |
| В |
| В |
| Be Disc |
| В |
| Be Disc |
| Be Disc |
| Be Disc |
| Be Disc |

| | | | | | | | | | • | MSP | | | | | | | | | | •1 | | <u>MSO</u> | Wage Scales | LAA At |
|-------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|---------|------|--------------|-------|-------|-------|-------|------------|-------|-------|-------|-------|------------|-------------|----------------------|
| 9+ | 8 -9 | 7-8 | 6-7 | 5-6 | 45 | 3-4 | 2-3 | 1-2 | 0-1 | SOX | | 9 | 8-9 | 7-8 | 6-7 | 5-6 | <u>4</u> 5 | 3.4 | 2-3 | 1-2 | 0-1 | <u> </u> | | Attachment A |
| 31.75 | 26.45 | 24.89 | 22.35 | 21.05 | 18.57 | 16.95 | 15.67 | 14.01 | 11.78 | DOS | | 31.71 | 25.47 | 23.97 | 21.64 | 20.26 | 17.95 | 16.42 | 15.18 | 13.48 | 11.43 | DOS | | Mechanic and Related |
| 32.22 | 26.84 | 25.26 | 22.68 | 21.37 | 18.84 | 17.20 | 15.91 | 14.22 | 11.96 | 9/12/17 | 1.5% | <u>32.19</u> | 25.85 | 24.33 | 21.97 | 20.57 | 18.22 | 16.66 | 15.40 | 13.68 | 11.60 | 9/12/17 | 1.5% | nd Related |

| • | | | | | | | | | Inspectors | | | | | | | | - | | ٠. | Mechanics | Wage Scales |) |
|--------------|-------|-------|-------|-------------|-------|-------|-------|-------|-----------------|-------|-------|-------|-------|-------|-------------|-------|-------|-------|----|-----------|-------------|---|
| 8+ | 7-8 | 6-7 | 5-6 | 4 -5 | 3-4 | 2-3 | 1-2 | 0-1 | <u>YOS</u> | 8+ | 7-8 | 6-7 | 5-6 | 4-5 | 3- <u>4</u> | 2-3 | 1-2 | 0-1 | | SOA | | |
| 42.56 | 38.53 | 33.67 | 31.33 | 29.03 | 27.95 | 27.48 | 25.79 | 22.35 | DOS | 41.76 | 37.94 | 33.33 | 31.12 | 28.93 | 27.90 | 27.47 | 25.79 | 22.35 | | DOS | | |
| <u>43.20</u> | 39.11 | 34.18 | 31.80 | 29.46 | 28.37 | 27.90 | 26.18 | 22.69 | 1.5% 9/12/17 | 42.39 | 38.51 | 33.83 | 31.58 | 29.36 | 28.32 | 27.88 | 26.17 | 22.69 | | 9/12/17 | 1.5% | |

LUS ·

SUL

| Wage Scales | | | л % | |
|--------------|-------|-------|---------|---|
| Plant/GSE Mx | SOX | DOS | 9/12/17 | |
| | 0-1 | 22.35 | 22.69 | |
| | 1-2 | 25.79 | 26.17 | |
| | 2-3 | 27.47 | 27.88 | |
| | 3-4 | 27.90 | 28.32 | |
| | 4-5 | 28.93 | 29.36 | |
| : | 5-6 | 31.12 | 31.58 | |
| | 6-7 | 33.33 | 33.83 | |
| | 7-8 | 37.94 | 38.51 | • |
| · | 8+ | 41.76 | 42.39 | |
| | | | 1.5% | • |
| Stock Clerks | YOS | DOS | 9/12/17 | |
| | 0-1 | 14.86 | 15.08 | |
| | 1-2 | 15.59 | 15.82 | |
| | 2-3 | 16.85 | 17.11 | • |
| | 3-4 | 18.63 | 18.90 | |
| | 4-i5 | 20.24 | 20.55 | |
| | 5-6 | 22.54 | 22.88 | |
| | 6-7 | 24.46 | 24.82 | |
| | 7-8 | 25.04 | 25.42 | |
| | 8-9 | 27.35 | 27.76 | |
| • | 9-10 | 29.37 | 29.81 | |
| | 10-11 | 29.55 | 29.99 | |
| | 11+ | 29.72 | 30.16 | |

| α |
|--------------|
| ~ |
| O |
| = |
| = |
| Ξ |
| Ο. |
| ~ |
| Œ |
| _ |
| 7 |
| ₽. |
| Þ) |
| _ |
| ١. |
| |
| ~ |
| Ma |
| 60 |
| .= |
| ⋖: |
| |
| _ |
| フ |
| Z |
| ^ |
| 9 |
| 9 |
| ot E |
| ot E |
| ot Be |
| ot E |
| ot Be |
| ot Be Disclo |

| | | | | • | | | | | | | | | | | | | | | | • • | 1 | Wage Scal |) |
|-------|-------|----------------|-------------------------|----------------------------------|---|--|---|--|--|---|---|--|--|--|--|---|--|---|---|--|--|--|---|
| | | - | | | | | ٠. | | MCT | | ** | | | | | | | | | | Utility | S | |
| 8-9 | 7-8 | 6-7 | 5-6 | 1 5 | 3-4 | 2-3 | 1-2 | · 0-1 | <u>YOS</u> | 9 | 8-9 | 7-8 | 6-7 | 5-6 | 4 5 | 3 <u>-4</u> | 2-3 | 1-2 | 0-1 | | SOY | | |
| 45.36 | 43.16 | 37.85 | 35,56 | 32.70 | 31.50 | 31.02 | 29.16 | 25.03 | <u>DOS</u> | 25.15 | 22.50 | 18.80 | 17.76 | 17.24 | 15.86 | 14.58 | 13.96 | 13.31 | 12.26 | ٠, | DOS | | |
| 46.04 | 43.81 | 38,42 | 36.10 | 33.19 | 31.97 | 31.48 | 29.60 | 25.41 | 1.5% 9/12/17 | <u>25.53</u> | 22.83 | 19.08 | 18.02 | 17.50 | 16.10 | 14.80 | 14.17 | 13.51 | 12.44 | | 9/12/17 | 1 አ | |
| | 45.36 | 43.16 45.36 | 37.85 43.16 45.36 | 35.56 37.85 43.16 45.36 | 32.70 35.56 37.85 43.16 45.36 | 31.50 32.70 35.56 37.85 43.16 45.36 | 31.02 31.50 32.70 35.56 37.85 43.16 45.36 | 29.16 31.02 31.50 32.70 35.56 37.85 43.16 45.36 | 25.03 29.16 31.02 31.50 32.70 35.56 43.16 45.36 | I YOS DOS 0-1 25.03 1-2 29.16 2-3 31.02 3-4 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 9+ <u>25.15</u> I <u>YOS</u> <u>DOS</u> 0-1 25.03 1-2 29.16 2-3 31.02 3-4 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 8-9 22.50 9+ 25.15 I YOS DOS 0-1 25.03 1-2 29.16 2-3 31.02 3-4 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 7-8 18.80 8-9 22.50 9+ 25.15 I YOS DOS 0-1 25.03 1-2 29.16 2-3 31.02 3-4 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 6-7 17.76 7-8 18.80 8-9 22.50 9+ 25.15 I YOS DOS 0-1 25.03 1-2 29.16 2-3 31.02 3-4 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 5-6 17.24 6-7 17.76 7-8 18.80 8-9 22.50 9+ 25.15 I YOS DOS 1-2 25.16 2-3 31.02 3-4 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 4-5 15.86 5-6 17.24 6-7 17.76 7-8 18.80 8-9 22.50 9+ 25.15 I YOS DOS 1-2 25.03 1-2 29.16 2-3 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 3-4 14.58 4-5 15.86 5-6 17.24 6-7 17.76 7-8 18.80 8-9 22.50 9+ 25.15 I YOS DOS 0-1 25.03 1-2 29.16 2-3 31.02 3-4 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 2-3 13.96 3-4 14.58 4-5 15.86 5-6 17.24 6-7 17.76 7-8 18.80 8-9 22.50 9+ 25.15 I YOS DOS 1-2 29.16 2-3 31.02 3-4 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 1-2 13.31 2-3 13.96 3-4 14.58 4-5 15.86 5-6 17.24 6-7 17.76 7-8 18.80 8-9 22.50 9+ 25.15 1-2 YOS DOS 1-2 25.03 1-2 29.16 2-3 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 0-1 12.26 1-2 13.31 2-3 13.96 3-4 14.58 4-5 15.86 5-6 17.24 6-7 17.76 7-8 18.80 8-9 22.50 9+ 25.15 I YOS DOS 1-2 25.15 25.16 2-3 31.02 3-4 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | 0-1 12.26 11-2 13.31 2-3 13.96 3-4 14.58 4-5 15.86 5-6 17.24 6-7 17.76 7-8 18.80 8-9 22.50 9+ 25.15 1-2 YOS DOS 1-2 25.03 1-2 29.16 2-3 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 | POS 102 0-1 1-2 13.31 2-3 13.96 3-4 14.58 4-5 17.24 6-7 17.76 7-8 18.80 8-9 22.50 9+ 25.15 1-2 25.15 1-2 25.16 2-3 31.50 4-5 32.70 5-6 37.85 7-8 43.16 8-9 45.36 | YOS DOS 0-1 12.26 1-2 13.31 2-3 13.96 3-4 14.58 4-5 15.86 5-6 17.74 6-7 17.76 7-8 18.80 8-9 22.50 9+ 25.15 YOS DOS 1-2 29.16 2-3 31.02 3-4 31.50 4-5 32.70 5-6 35.56 6-7 37.85 7-8 43.16 8-9 45.36 |

LUS

| Confidenti |
|------------|
| <u> </u> |
| _ |
| |
| ~ |
| ~ |
| ۳. |
| ~ |
| 7 |
| |
| O |
| ~ |
| Ве |
| Ü |
|)isclos |
| sed |

| | | | | | | | | | · | QAC | | | | | | | ٠ | | | L . | Planners | A A B C Ocarco | Maga Scales |
|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|---------|------|-------|-------|-------|-------|-------------|-------|-------|-------|------------|----------|----------------|-------------|
| 9+ | 8-9 | 7-8 | 6-7 | 5-6 | 4-5 | 3-4 | 2-3 | 1-2 | 0-1 | SOX | | 7+ | 6-7 | 5-6 | 45 | 3- <u>4</u> | 2-3 | 1-2 | 0-1 | | YOS | | |
| 45.39 | 43.72 | 41.59 | 36.97 | 34.47 | 32.30 | 31.20 | 30.67 | 28.90 | 25.51 | DOS | | 37.29 | 34.82 | 33.43 | 30.77 | 27.89 | 25.09 | 22.35 | 18.46 | | DOS | | |
| 46.07 | 44.37 | 42.22 | 37.53 | 34.99 | 32.78 | 31.67 | 31.13 | 29.34 | 25.90 | 9/12/17 | 1.5% | 37.85 | 35.34 | 33.93 | 31.23 | 28.31 | 25.47 | 22.68 | 18.73 | | 9/12/17 | 1.5% | |

SnT

| | | | | | | | | MTS | | | | | | | | | • | | | • | Tech Docs | *6, | Wage Scales | |
|--------------|-------|-------|-------|-------|-------|-------|-------|---------|------|--------------|------------|-------|-------|-------|-------|-------|-------|-------|-------|---|-----------|------|-------------|--|
| 7+ | 6-7 | 5-6 | 4-5 | 3-4 | 2-3 | 1-2 | 0-1 | SOX | | 2 | - v | 7-8 | 6-7 | 5-6 | 4-5 | 3-4 | 2-3 | 1-2 | 0-1 | • | YOS | | | |
| 49.64 | 46.90 | 44.34 | 41.89 | 39.57 | 37.40 | 35.35 | 33.39 | DOS | | 14.// | 41.24 | 39.23 | 34.58 | 32.49 | 30.04 | 28.98 | 28.54 | 26.89 | 23.40 | | DOS | | | |
| <u>50.39</u> | 47.60 | 45.01 | 42.51 | 40.16 | 37.96 | 35.88 | 33.89 | 9/12/17 | 1.5% | <u>43,41</u> | 41.85 | 39.82 | 35.10 | 32.97 | 30.49 | 29.42 | 28.97 | 27.29 | 23.75 | | 9/12/17 | 1.5% | | |

SnT

Attachment B

| Confid |
|------------|
| ential - N |
| May |
| Not I |
| e Di |
| sclose |
| n. |

| | | | | | | | | | | | | • | | |
|----------|----------|----------|----------|----------|--------|--------|-------|-------|--------------|--------------|--------------|--------------|---------------------|---|
| Cleaners | Cleaners | Cleaners | Cleaners | Cleaners | MCTs | MCTs | MCTs | MCTs | Stock Clerks | Stock Clerks | Stock Clerks | Stock Clerks | Work Group | |
| SnT | LUS | LUS | LUS | LUS | LAA | LAA | LAA | LAA | LUS | LUS | SUT | LUS | LAA/LUS | : |
| 7 | 6 | Ст | 44 | <u>,</u> | 44 | ယ | 2 | نــ | Cri | . 4 | ယ | ρ, | YOS | |
| 20.74 | 19.85 | 19.61 | 16.38 | 12.42 | 43.52 | 42.83 | 42.34 | 41.80 | 21.86 | 20.03 | 17,92 | 16.34 | Current All in Wage | |
| 21% | 23% | 17% | 13% | 10% | 12% | 13% | 11% | 2% | 26% | 26% | 24% | 24% | % Increase | |
| 9,150 | 9,309 | 7,066 | 4,390 | 2,489 | 10,863 | 11,581 | 9,688 | 1,739 | 11,658 | 10,657 | 9,128 | 8,323 | Lump Sum | |
| | | | | | | | | | | | | | | |

CERTIFICATE OF SERVICE

I hereby certify that on April 3, 2017, a copy of the foregoing Notice of Removal was sent by First Class U.S. Mail to the following:

Larry D. Drury Larry D. Drury, Ltd. 100 North LaSalle Street, Suite 2200 Chicago, IL 60602 (312) 346-7950

Attorneys for Plaintiff

By: /s/ Larry S. Kaplan
Larry S. Kaplan
KAPLAN, MASSAMILLO &
ANDREWS LLC
200 West Madison Street, 16th Fl.
Chicago, Illinois 60606
Telephone: (312) 345-3000
Facsimile: (312) 345-3119

Email: lkaplan@kmalawfirm.com

Mark W. Robertson (*pro hac vice* admission application forthcoming)
O'MELVENY & MYERS LLP
7 Times Square
New York, NY 10036
Telephone: (212) 326-2000

Facsimile: (212) 326-2061 Email: mrobertson@omm.com

Attorneys for American Airlines, Inc.